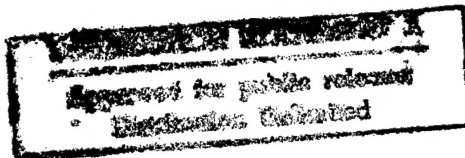


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China Report

AGRICULTURE

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15 April 1985

CHINA REPORT

AGRICULTURE

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NATIONAL

CALCULATION OF NET OUTPUT VALUES OF AGRICULTURE DISCUSSED

Beijing NONGCUN KUALJI [RURAL FINANCIAL AFFAIRS] in Chinese No 2, 6 Feb 85
pp 16-19

[Article by Wu Yongxiang [0702 3057 4382]: "Discussion No 10 On Calculating the Gross and Net Output Values and the Commodity Output Value of Agriculture"; conclusion to articles from No 12, 1984 and No 1, 1985]

[Text] II. Calculating the Net Output Value of Agriculture [NOVA]

1. What is the NOVA? The NOVA is the new value created in the process of agricultural production by agricultural workers during a certain period of time. The NOVA is the source of livelihood of agricultural workers and also the source of expanded agricultural reproduction.

A country's national revenue is the sum of the net output values of all material production departments. The NOVA is thus important data in calculating national revenue and in studying problems such as the distribution, consumption and accumulation of national revenue. Similar to the gross output value of agriculture [GOVA], the NOVA can also be used to observe and analyze the development level and pace of agricultural production and to study all proportional relations within agriculture and those between agriculture and industry.

2. The NOVA calculation methods. There are two NOVA calculation methods, the production method and the distribution method.

A. The production method. When calculating the NOVA according to the production method, it is necessary to subtract the value of all material consumed in the process of agricultural production from the GOVA, the remainder then being the NOVA.

All material consumed in the course of agricultural production includes that in the following four areas:

- (1) Work objects consumed in the production process such as seeds, seedlings, fodder, fertilizer, agricultural chemicals, fuels and power.
- (2) Depreciation of fixed assets used in production including wear and tear of fixed assets such as machinery, farm implements, equipment and construction materials used in the production process.

(3) Productive labor service expenses such as transportation expenses for foreign workers, post and telecommunication expenses and farm tool repair expenses in agricultural production.

(4) Other material consumption such as management expenses and other expenses not belonging to any of the above categories.

There are many items included in agricultural material consumption which are generally calculated in actual work according to the stipulations of national statistics departments by multiplying the amount of all items consumed times their unit prices. Since the production, distribution, accumulation and consumption of national revenue are all calculated according to the current year's prices, the NOVA and agricultural material consumption are generally also calculated according to the current year's prices, but in order to observe national revenue trends and to calculate the national revenue index, the NOVA and agricultural material consumption must also be calculated according to constant prices.

B. The distribution method. The distribution method of calculating the NOVA is a method of calculating the NOVA based on the NOVA's primary distribution items. When making specific calculations, after first calculating the number of all primary distribution items, the NOVA can then be obtained by adding up the number of all items.

The NOVA's primary distribution items are also called the NOVA's key constituent elements and generally include staff member and worker wages and welfare funds, commune member collective labor income, commune member family-run net income, profits, interest payments, taxes, accumulation funds, public welfare funds, production expense funds, grain reserve funds, commune member livelihood funds and management expenses not belonging to material consumption. Since the requirements for calculating the gross income of the rural cooperative economy's income and distribution are different than those for calculating the GOVA, the NOVA calculated according to the distribution method must thus be revised in order to reach unanimity with the NOVA calculated according to the production method.

China's present agricultural statistics system has stipulated that every year's NOVA must be separately calculated according to both the production and the distribution methods, that the NOVA calculated according to the production method is the standard and that errors in calculating the NOVA according to the distribution method must be listed in order to check and revise it.

III. Calculating the Commodity Output Value of Agriculture [COVA]

1. Agricultural product commodity output. Agricultural product commodity output refers to that part of the product output of the total number of agricultural products produced by agricultural departments during a certain period of time and supplied to the national economy's circulation fields which is left after subtracting the production consumption, livelihood consumption and reserve of internal agricultural reproduction. How many commodity products are provided by agricultural departments during a year has

a very important bearing on ensuring the continued development of the national economy and satisfying the livelihood needs of the non-agricultural population. Developing the commodity production of agricultural products and increasing the commodity output of agricultural products is thus a central matter in changing China's agriculture from a self-sufficient and semi-self-sufficient economy into one of large-scale commodity production and a pressing need for agriculture in China's realization of the four modernizations.

Agricultural product commodity output is generally calculated according to the calendar year and includes the output of the current year's production and sale but not the output of the preceding year's production and sale.

Agricultural product commodity output usually takes material objects as the calculation unit and can be calculated for each product, a certain type of product (such as grain, cotton or hogs) or all products.

In order to explain the conditions of the commodity output provided by all agricultural enterprises, agricultural enterprises of all economic types and all agricultural departments, the commodity output of all agricultural enterprises, all economic types and all agricultural departments must be separately calculated.

The commodity output of rural cooperative economic organizations includes agricultural taxes paid in kind by collectives and commune member households, the output of that sold to the state, the output of that sold to supply and marketing cooperatives, the output of bartered industrial products, the output of that sold on country fair trade markets and wages paid in kind to foreign workers.

The commodity output of state-run agricultural enterprises includes the output of that sold to the state, the output of that sold and the output of that supplied to the enterprise's staff members and workers.

Agricultural product business and exchange between similar economic type agricultural enterprises (such as between rural cooperative economic organizations and between state-run agricultural enterprises) is called internal commodity circulation between similar type enterprises; agricultural product business and exchange between different economic type agricultural enterprises (such as between rural cooperative economic organizations and state-run agricultural enterprises) is called internal commodity circulation between different type enterprises; the sum of internal commodity circulation between these two parts is called the total commodity circulation within agriculture. When calculating the commodity output of all economic types, it is necessary to deduct the amount of internal commodity circulation between similar type enterprises from the total commodity output of all enterprises of the economic type. This is because the amount of this part of internal commodity circulation cannot be used outside of the economic type.

The commodity output of all agricultural departments is calculated by deducting the amount of total commodity circulation within agricultural departments from the total commodity output of all agricultural enterprises. Since this

deducted part of the data is difficult to obtain, the commodity output index of all agricultural departments is therefore seldom calculated in actual work.

China's present agricultural statistics system has stipulated that rural cooperative economic organizations must calculate the amount of agricultural products collected and bought by the state, that state-run farming, forestry, animal husbandry and fishery farms must calculate the amount of agricultural products sold to the state, and that based on this data plus data from related typical investigations, the agricultural product commodity output of the rural cooperative economy and state-run agricultural enterprises can be calculated.

A certain agricultural product's commodity output percentage of its gross output is called its percentage of marketable products. It indicates that amount of commodities produced by all agricultural products. The formula for calculating it is:

The percentage of marketable products of a certain agricultural product equals (the commodity output of the agricultural product divided by the total output of the agricultural product) times 100 percent. For instance if a certain rural cooperative economic organization's gross annual grain output is 2.86 million jin, it keeps 2.04 million jin for seeds, fodder, reserve and commune members' grain rations and sells 820,000 jin to the state, its percentage of marketable products from grain is:

The percentage of marketable products from grain equals (82 divided by 286) times 100 percent or 28.7 percent.

2. The COVA. The COVA is the total commodity output of all agricultural products calculated according to currency prices. Since the commodity output of all agricultural products cannot be directly added, the commodity output value is thus used to reflect the value of agricultural products provided by agriculture as commodities to the non-agricultural population and other sectors of the national economy. China's present agricultural statistics system has stipulated that state-run farming, forestry, animal husbandry and fishery farms should use "the current year's agricultural sideline product total sales" to reflect the COVA; farming and forestry cooperative economic organizations should use "the marketed product income" (i.e. the income produced during the current year from farming, forestry, animal husbandry, sideline production and fishery products sold to the state and other buyers by rural cooperative economic organizations and individual commune members) to approximately reflect the COVA.

The income from agricultural products sold by agricultural enterprises is calculated according to the current year's actual market prices, and in order to reflect changes in the COVA in different years, it can be converted to the COVA calculated according to constant prices.

The percentage of the COVA divided by the GOVA is called the percentage of marketable agricultural products. It shows the amount of commodities produced by all agriculture. The formula for calculating it is:

The percentage of marketable agricultural products equals (the COVA divided by the GOVA) times 100 percent.

NATIONAL

PRC NATURAL PROTECTIVE AREA EXPANSION DISCUSSED

Beijing ZHONGGUO NONGMIN BAO in Chinese 20 Sep 84 p 1

[Article: "Flourishing Natural Protective Areas--A Total of 133 Natural Protective Areas Established Throughout Nation by End of 1983"]

[Text] Through the effort of the Party, government and mass of people, natural protective areas have come into being in China since the founding of the PRC. By the end of 1983 a total of 133 had been established throughout the country, with a total area of 8.06 million hectares, or 0.84 percent of China's total land area.

Natural protective areas have been in existence in the world for more than 100 years. In general, the area of the natural protective areas established by the nations of the world presently constitutes about 4 percent of those countries' land area.

Construction of natural protective areas in China got a relatively late start. In 1956, more than 40 such protective areas were planned for 15 provinces and autonomous regions including Jilin, Heilongjiang, Shaanxi, Gansu, Zhejiang, Guangdong, Sichuan, Yunnan and Guizhou. More than 20 natural protective areas were established before the "great cultural revolution:" for example, Changbaishan in Jilin, Fenglin in Heilongjiang, Taibaishan in Shaanxi, Xitianmushan in Zhejiang, and Xiaomengyang in Yunnan's Xishuangbanna [Dai] Autonomous Prefecture. After the Third Plenary Session of the 11th Party Central Committee, construction of natural protective areas, like other undertakings, experienced vigorous expansion.

China covers a vast territory, its physical geography is complex and its biological resources are extremely abundant. It has approximately 3 million varieties of higher plants, or about 10 percent of the higher plants in the world. More than 200 of these are peculiar to China: for instance, gymnosperms such as the yin sha [*Cathaya argyrophylla*], dawn redwood [*Metasequoia glyptostroboides*] and Taiwan fir, and angiosperms such as the dove tree, bole tree [0130 2867] and xiangguo tree [7449 2654]. In addition, China has protected the precursors of some domesticated plants, such as the wild walnut, wild Chinese chestnut and wild apple; these are valuable resources of seed substance. China is presently

protecting more than 4,400 species of vertebrates, constituting more than 10 percent of vertebrates worldwide. The giant panda, golden monkey, white-lipped deer, hemaji [5964 7456 7741], buff-colored tragopan and Chinese alligator are rare and precious animals peculiar to China.

In order to bring rational distribution to China's natural protective areas and speed up their development, in 1979 the province, autonomous regions and municipalities organized the relevant specialists and scientific and technical personnel, carried out a survey and put forth a draft list for constructing natural protective areas. According to statistics on 27 provinces, autonomous regions and municipalities, 361 new natural protective areas are planned for the nation as a whole; added to the ones already constructed, this makes a total of 469, with a total area amounting to 16.8 million hectares, or 1.75 percent of the nation's total land area. After these protective areas are basically constructed they will form a natural protective area network throughout the nation which is quite rationally distributed and taxonomically comprehensive. They will play an important role in protecting and saving the rare and valuable plants and animals in China which are on the verge of total extinction, preserve representative model ecological systems and natural landscapes, improve the natural environment, safeguard the ecological balance and advance scientific research.

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NATIONAL

METHODS OF CALCULATING AGRICULTURAL COMMODITY RATES ANALYZED

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL PRODUCTION TECHNOLOGY] in Chinese No 9, Sep 84 pp 37-42

[Article by Jiang Huisheng [3068 1920 3932] of the Guangdong Provincial Agricultural Committee: "An Inquiry into the Methods of Calculating Agricultural Commodity Rates"]

[Text] I. The Significance of Calculating Agricultural Commodity Rates and Difficulties and Questions Regarding Current Calculations

The agricultural commodity rate is one of the important indexes of agricultural modernization. Through calculation and analysis of the height of the commodity rate we are able to: A. analyze whether or not the agricultural economy is being transformed from self-sufficiency or semi-self-sufficiency to relatively large-scale commodity production; B. analyze whether or not agriculture is being transformed from traditional agriculture to modern agriculture; C. analyze how many agricultural products the peasants have supplied to the state and to society, and how large a contribution they have made; D. analyze the specialized division of labor in agricultural production, the level of economic development and the degree of agricultural modernization in a region to get a "cross section." In short, the agricultural commodity rate is an indispensable index for purposes of deliberating agricultural policy.

However, there are many difficulties at present in accurately calculating agricultural commodity rates. The main one is that our statistical data are incomplete; in the work to date on the statistics of our national economy we have yet to come up with an integrated, multi-leveled indexing system for calculating agricultural commodity rates. For a county, for example, we are able to calculate the gross output value created by that county as a whole for a particular year. But it is difficult to obtain accurate figures on the total amount of goods agricultural production units within the same region consumed of what they produced themselves. By and large, the particular characteristics of agriculture's various natural resources, the regional differences, the array of production projects, the varied uses of farm products and the backwardness and defects of our statistical work on the commodity economy make it

difficult for us to correctly or accurately calculate agricultural commodity rates at present. Given this situation, there are "multifarious" methods of calculating these rates. The errors in some of the methods of calculation are quite large and they are disadvantageous for economic analysis and making policy decisions in agriculture. This article presents some views regarding this and is a joint inquiry with other comrades.

II. Definition of the Agricultural Commodity Rate Concept

The agricultural commodity rate is different from the farm product commodity rate. The farm product commodity rate refers to the commodity output of a certain farm product as a percentage of gross output. It indicates the degree of commercialization of a farm product and is calculated according to the following formula:

$$\text{Farm Product Commodity Rate} = \frac{\text{Farm Product Output} - \text{Amount Consumed}}{\text{Farm Product Output}} \times 100\%$$

The agricultural commodity rate, however, expresses the commodity output of all farm products as a ratio of gross output and is an index of overall agricultural commodity output. But because it is not possible to directly add together the commodity output of various products, we must calculate the output value of the agricultural commodities. The agricultural commodity output value as a percentage of the gross agricultural output value is the agricultural commodity rate index. It indicates the degree of commercialization of the whole of agricultural production and is calculated according to the following formula:

$$\text{Agricultural Commodity Rate} = \frac{\text{Agricultural Commodity Output Value}}{\text{Gross Agricultural Output Value}} \times 100\%$$

There is a key question here which needs to be clarified: What is an "agricultural commodity?" It seems simple enough at first, but in reality it is extremely complex. Let us analyze the following example:

Suppose Xinfeng District in a certain county contains 9 townships. Among them, only Nanlian Township produces grain; of the other 8 townships, 7 engage in forestry, tea leaves, fruit and fishery, and one engages in ceramics and farm product processing. In 1983, Nanlian Township had a gross grain output of 1 million jin, of which 200,000 jin was retained for the peasants' grain rations, seed and feed, and 800,000 jin was offered for sale. For the year in question, the grain commodity rate was 80 percent for this township. If all of the 800,000 jin of grain offered for sale was consumed within the district, it could have been circulated in the following ways, separated according to marketing targets:

1. It could have been sold to state workers within the district (including government cadres, teachers in public elementary and high schools and other workers on the state payroll) and residents not engaged in agriculture, as well as state-run industrial and commercial sectors (or enterprises) within the district;
2. It could have been sold to commune brigade workers in industrial enterprises, including the population of that township which engages in ceramics and farm product processing (all being reckoned as agricultural population in population statistics);
3. It could have been sold to the 7 townships engaging in forestry, tea, fruit and fishery.

In line with former textbooks and related works, in "Zhengzhi Jingjixue Cidian (Xia)" [Dictionary of Political Economy, Vol 3] (edited by Xu Dixin [6079 3321 2450]) it is stated: "The agricultural commodity output value can be calculated for a specific agricultural enterprise (or rural people's commune). It can also be calculated for different economy types or the agricultural sector as a whole. The commodity output value of each agricultural enterprise or rural people's commune can be expressed as the amount of farm goods produced by an enterprise or commune that can enter into circulation in the national economy after deducting its own consumption from the total amount of farm products it produced." "To calculate the commodity output value for different economy types, we need to deduct from the sum total of commodity output value of agricultural units of the same economic type the amount of commodities circulated among the various units within that type" (Renmin Chubanshe, 1981, p 301). According to this method of calculation, in situations 2 and 3 in the above example, the grain commodity rate for Xinfeng District in this county would be equal to zero; only in situation 1 would it be calculated as 80 percent. It appears that this method of calculation is not very comprehensive and that for a given district it is easy to mix up the degree of self-sufficiency in farm products with the commodity rate. In theory, it also appears that it does not much accord with the scientific discussions of Marx and Engels concerning the commodity concept.

What is a commodity? A commodity is a product of labor used for exchange and to satisfy the consumption needs of others. It possesses both value and use-value, and both of these are indispensable. In "Das Kapital" Marx stated, "A thing may be a use-value without having value. This is so whenever its utility to man is not due to labor. Such are air, virgin soil, natural meadows, uncultivated forests, etc. A thing may be useful, and be a product of human labor, without being a commodity. Whoever satisfies his own wants with the produce of his own labor, what he creates are merely use-values, but not commodities. To produce commodities, he must not only produce use-values, but must produce use-values for others; that is, he must produce social use-values. / But it is not merely for other people alone; in the Middle Ages the peasants produced grain which they were forced to hand over to the feudal lords

for rent, or which they paid to Church fathers as tithes. But no matter that the grain was handed over as forced payment of rent or paid as tithes, it did not become a commodity simply because it was produced for other people. To become a commodity, a product must undergo exchange and be a use-value in the hands of the person it is transferred to./ Lastly, nothing can have value without being an object of utility. If the thing is useless, then so is the labor contained in it; the labor does not count as labor and therefore does not create value."* (Note: The material in slantlines is a passage added by Engels in later editions of "Das Kapital.") How are we to correctly understand Engel's "undergo exchange?" This involves the matter of differentiating the agricultural production sector. In accordance with the characteristics of labor in agricultural production, the object is to provide materials for life and the process is manifested as the biological processes of plants and animals. Therefore, the agricultural production sector includes farming, forestry, animal husbandry and fishery, and the hunting of wild animals and the gathering of wild plants on the land as well. In the current statistical system in China, if we take village-run (originally brigade- and production team-run) industries as sideline occupation and regard it as a production sector of agriculture in the broad sense, then are those engaged in industrial production included in the scope of "agricultural producers?" We feel that we should make different determinations based on different research needs. Since we are adding up agricultural commodity output value, we should separate out the "peasants" engaged in industrial production in accord with the development of a commodity economy and the social division of labor. The farm products which they obtain through a business transaction and use for consumption should be regarded as agricultural commodities. Thus, in the Xinfeng District example mentioned above, we should calculate the commodity rate for both situations 1 and 2.

Let us analyze situation 3 in the above-mentioned example based on the concept of "converting and passing on use-values" expounded Marx in his "Das Kapital" (p 130). The accounts for the 800,000 jin of grain sold by Nanlian Township to the seven other villages belonging to the agricultural production sector were settled using currency. It is probable that when it began to enter into circulation it was "primary grain." When this grain was passed on to other townships it underwent processing, with the paddy being converted to husked rice and the wheat to flour and noodles or alcoholic beverages, etc.; therefore, this 800,000 jin of grain should be regarded as an agricultural commodity and we should calculate the agricultural commodity output value and the agricultural commodity rate.

To expand upon the above analysis: within the scope of a county, a farm product which is produced in one district and sold to peasants in another district who engage in farming, forestry, animal husbandry, sideline occupation and fishery, because a change in location of that product occurs ("converting and passing on use-values") and there is a change

*"Ziben Lun" [Das Kapital], Renmin Chubanshe, 1975, Vol 1 p 54.

in form, it is a commodity and should be taken into account in calculating that county's agricultural commodity output value and agricultural commodity rate. By analogy, we can calculate the agricultural commodity rate for an agro-economic integrated body at the lower end of the scale of the agricultural economy and for a city, prefecture, province, up to the country as a whole at the upper end.

In terms of the development stage of agricultural production, the transformation from self-sufficiency or semi-self-sufficiency to relatively large-scale commodity production and the transformation from traditional agriculture to modern agriculture must always travel the course from comparatively "small but comprehensive" to comparative specialization and regionalization. In this process, it is inevitable that there will be more and more commodity exchange between the various sub-sectors within the agricultural production sector. Therefore, when calculating agricultural commodity output value, we should not deduct the portion of commodities circulated between the sub-sectors (farming, forestry, animal husbandry, sideline occupation, fishery) within the agricultural sector or the portion of commodities exchanged between agricultural enterprises of different regions. In other words, farm product commodities not only refer to the portion which the peasants sell to the state, non-agricultural sectors and residents not engaged in agriculture, but also include the portion mutually exchanged within the agricultural sector. This way of calculating the agricultural commodity rate reflects the all-around specialized division of labor and the degree of regional division of labor in agricultural production, and reflects as well the proportion of farm products supplied by one agricultural sector to another and the proportion of farm products supplied by one section of agricultural producers to another section of agricultural producers of the various sub-sectors within the agricultural production sector after specialized, and regional division of labor.

III. Which Data Is Used To Calculate the Agricultural Commodity Rate?

Calculating the commodity rate for a relatively small agro-economic association is somewhat simple: How much was produced for the year in question and how much was sold. It can be calculated by employing statistics and financial accountants. As for calculations for a relatively large region, because statistical data is incomplete at present, we should study how to use the available statistical data on the economy to carry out calculations which are quite accurate or relatively close. We feel that before the agricultural commodity rate indexing system is completely set up we can utilize the data in the statistical departments' statistical yearbooks for agriculture and commerce to carry out calculations; namely, use the "total social purchase of farm produce and sideline products" divided by gross agricultural output value, using the current prices for the year in question for both in the calculation. The calculation formula is as follows:

$$\text{Agricultural Commodity Rate} = \frac{\text{Total Social Purchase of Farm Produce and Sideline Products}}{\text{Gross Agricultural Output Value} - (\text{Output Value of Team-run Industries} + \text{Output Value of Farm Crop By-products} + \text{Output Value of Feed and Green Manure Crops})} \times 100\%$$

For the sake of correct calculation we need to convey an understanding of five aspects of what the indexes in the numerator and denominator of the formula mean.

A. Is it Possible for the Total Social Purchase of Farm Produce and Sideline Products To Be Representative of the Agricultural Commodity Output Value?

We feel that is representative of the agricultural commodity output value as it includes an extremely large portion of that output value. In the statistical system in place in China today, social purchase of farm produce and sideline products refers to the following:

1. The purchasers refer to the enterprises and social groups from various sectors of the national economy (including business, the food and beverage trades, industry and other sectors) as well residents not in the agricultural sector who buy and receive farm produce and sideline products directly from the producers (including purchases at urban and rural farm trade markets, with data to be supplied by industrial and commercial administrative and management departments) in order to meet their own product processing, reselling or daily consumption needs.
2. "Agricultural producers" includes rural cooperative economic organizations and their members (commune brigades and commune members); it also includes state-run farms of various types (machine-operated farms, farms of overseas Chinese and reform-through-labor farms are included here).
3. Farm produce and sideline products include plants which are cultivated, animals which are raised and wild animals and plants which are obtained as a result of hunting, fishing and gathering activities. None of the mineral resources excavated or what is felled from primeval forests is considered farm sideline products. When figuring, only what is purchased from the agricultural production sector constitutes farm produce and sideline products; what is purchased from sectors such as the forest industry does not constitute farm sideline products.

B. In Utilizing Data on Gross Agricultural Output Value To Calculate the Agriculture Commodity Rate, Why Must the Output Values of Team-run Industries, Farm Crop By-products and Feed and Green Manure Crops Be Deducted

This is because these output values are not comparable to total purchases (gross value) of farm produce and sideline products, the natural attributes

of products from team-run industries are different from farm produce and sideline products and the commodity portion of their products have already been figured into purchases of industrial products. Commodity farm crop by-products constitute an extremely small proportion; most are consumed for self-support.

C. Are the Prices for Total Purchases of Farm Produce and Sideline Products and the Prices for Gross Agricultural Output Value Comparable?

The gross agricultural output value index used to calculate the agricultural commodity rate can be reckoned based on the current prices for the year in question or on constant prices. The index for total purchases of farm produce and sideline products generally is calculated based on real prices for the year in question; because of the huge array of farm produce and sideline products and since converting them to constant prices to calculate the gross output value would be extremely tedious, it is not necessary to make the conversions, but divide them directly by the gross agricultural output value calculated according to the current prices for that year. Because the gross agricultural output value is to be reckoned according to that year's current prices, the price data used is researched and determined based on the market price situation for that year and includes planned prices and unplanned prices. When necessary, calculations are carried out for some items using the weighted average method, so their price levels are basically identical to the overall farm produce and sideline product purchase price level. In actual practice, in order to examine the two to see if they are basically identical or reasonably close we can calculate the price index for the gross agricultural output value and compare it with the farm produce and sideline product purchase price index for the same period. Take the gross agricultural output value price index for Guangdong Province in 1983 for example; the calculation formula is:

$$\frac{\sum P_1 q_1}{\sum P_0 q_1} \div \frac{\sum P_1 q_0}{\sum P_0 q_0}$$

or,

$$\frac{\text{1983 Gross Agricultural Output Value in Current Prices}}{\text{1983 Gross Agricultural Output Value in Constant Prices}} \div \frac{\text{1982 Gross Agricultural Output Value in Current Prices}}{\text{1982 Gross Agricultural Output Value in Constant Prices}}$$

Inserting the relevant data yields: for 1983 compared to 1982, the gross agricultural output value price index for Guangdong Province is:

$$\frac{18.202 \text{ billion yuan}}{14.929 \text{ billion yuan}} \div \frac{17.301 \text{ billion yuan}}{14.281 \text{ billion yuan}} = 100.6 (\%)$$

It is known from data from the provincial statistical bureau and pricing bureau that in 1983 the overall farm produce and sideline product purchase price index in Guangdong Province was 100, which held even with 1982. This was basically close to the 1983 gross agricultural output value price index, which shows that the two are comparable.

In practice, in order to correctly reflect the changes in commodity production and contrast trends we can use the relevant price indexes to calculate increases or decreases in agricultural commodity output value. For example, in 1983 total social purchases of farm produce and sideline products in Guangdong was 8.927 billion yuan. In 1978 it was 3.002 billion yuan. From 1978 to 1983 the overall farm produce and sideline product purchase price index in Guangdong was 150.90. So calculating the 1983 total purchases of farm produce and sideline products on the basis of 1978 prices, we get: $8.927 \text{ billion yuan} \div 150.9\% = 5.916 \text{ billion yuan}$. The actual increase in the level of farm produce and sideline product purchases in 1983 compared to 1978 was: $5.916 \text{ billion yuan} \div 3.002 \text{ billion yuan} - 100\% = 97.1\%$.

D. How Is the Time Frame for Calculating the Agricultural Commodity Rate Determined?

Because of the characteristics of agricultural production, there are included in the statistics for farm produce and sideline products produced and harvested in the year in question some which were not purchased in that year, but were purchased the next year; likewise, there are some products which were purchased in that year which were not produced or harvested that same year. How can this specific problem be handled? We feel that, to simplify the matter, we should continue to integrate them and make calculations based on the calendar year because when we calculate and analyze the agricultural commodity rate we should not look at one year in isolation, rather we must consider a number of years up to a somewhat longer period of time. Even though the amount of farm produce and sideline products purchased in a year was not totally a result of production in that year, it would still reflect the trend of commoditization in agricultural production over a period of time. Although some of the farm produce and sideline products purchased in the year in question were produced in former years, and in theory it seems as though we should not add them into that year's agricultural commodity output value, we must take note of the fact that many factors influence the decision of agricultural producers to hold on to farm produce and sideline products produced in former years and then offer them for sale in the year in question. Therefore, the agricultural commodity rate calculated using the farm produce and sideline products actually purchased in that year better accords with actual needs.

E. Is There a Problem of Duplication in the Calculations?

As stated above, the exchange of commodities and their circulation manifests the "conversion and passing on" of commodity use-values, and the circulation of commodities is carried out continuously. After commodities

enter into circulation, they are not passed into the hands of the consumer immediately after one exchange; in their course they may pass through 2, 3, or more exchanges. Thus, when figuring the agricultural commodity rate, how do we avoid duplication in our calculations? There is no duplication in the "total social purchase of farm produce and sideline products" index in the present statistical system; there would be duplication if products exchanged at the farm trade markets were entered in. From now on, there will be more and more exchange of farm products among the peasants. Since this portion has to be officially figured into the overall social exchange as a basis for calculating the agricultural commodity rate, we should start figuring from the most basic and lowest level agricultural production units and add the set of statistical indexes for commodity amounts (regardless of the direction of circulation) to the set of indexes for production amounts calculated originally, and afterwards collect them level by level. In this way we can avoid completely for the society as a whole the portion where there could be duplication in the calculations. This is a complex task and it is necessary for us to make greater efforts.

IV. Several Issues Which We Should Attend to in Calculating the Agricultural Commodity Rate

For the sake of making accurate or relatively accurate calculations, it is necessary to give an explanation of the following issues:

A. The Accuracy of the Concept. What the agricultural commodity rate refers to is the commodity rate for production in farming, forestry, animal husbandry, sideline occupation (the gathering and hunting portion) and fishery. We must not confuse the two. The agricultural commodity rate and the commodity rates for the various rural industries are two different concepts and we should clearly distinguish between them. In the practical work before us, it is enough to figure the agricultural commodity rate because the concept of "commodity rates for the various rural industries" is vague; does it include all production sectors outside agriculture and commune brigade (small town) industries, for instance the processing of foodstuffs in the rural food and beverage industries? Do we figure their commodity output values? Moreover, if rural industries are regarded as a production sector, of course its commodity rate will be high. If they are all figured into the agricultural commodity rate it will not reflect objective reality.

B. The Comparability of Data. In calculating the agricultural commodity rate, some comrades presently employ data in statistical yearbooks on distribution of rural cooperative economic benefits; namely, they use the "income from product sales" for the year in question divided by that year's "gross income." In certain situations this should be all right. But it should be pointed out that calculating in this way can only reflect in summary fashion the agricultural production commodity rates achieved by cooperative economic organizations. Furthermore, there are many components which are not comparable because included in "income from

product sales" is income from the sale of industrial products, and included in "gross income" is income from sources other than production.

C. The Relativity of Indexes. The agricultural commodity rate is a relative index. When adding up and analyzing the agricultural commodity rate for any agricultural production unit, we definitely must integrate it with the overall indexes of both the agricultural commodity output value and gross agricultural output value; only then will it be an overall reflection of the level to which that unit's commodity production has developed. When analyzing the agricultural commodity rate for a unit or a region, we should first analyze its agricultural production level and rate of growth.

In short, the agricultural commodity rate is a very important economic index; behind it exists the complex essence of society, namely the substance of the political economy. Figuring the agricultural commodity rate is by no means a mere technical calculation; rather, it is tied to the economic formation of society and politico-economic theory. Therefore, we should be guided by the tenets of Marxism's political economics, review in practice the construction of a socialist agriculture with Chinese characteristics, reform or improve the statistical system and methods currently in place in China, set up as soon as possible a multi-leveled indexing system for calculating the agricultural commodity rate from base-level agricultural cooperative economic organizations and all base-level agricultural production units to a city, county, province and up to the nation as a whole. This would be in order to properly reflect past or ongoing agro-economic activities of historic change and thus better supply data to rely on in formulating economic policy and to make more contributions to setting up a modernly managed scientific feedback system for agriculture.

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CSO: 4007/52

NATIONAL

CHINA'S DRYLAND AGRICULTURAL DEVELOPMENT REVIEWED

Beijing DILI ZHISHI [GEOGRAPHICAL KNOWLEDGE] in Chinese No 3, 7 Mar 84 p 2

[Article by Tong Bingya [0157 1456 0068]: "Development of China's Dryland Agriculture"]

[Text] Dryland agriculture refers to the planting industry operated under conditions where the weather is dry or irrigation is nonexistent by relying on natural precipitation and adopting a series of measures to fight drought and preserve the moisture of the soil. It is roughly distributed in areas where the annual precipitation is between 250 and 600mm. The usual classification is: dry area where annual precipitation is below 250mm, semidry area where annual precipitation is between 250 and 500 mm and semidamp and dry-easy area where annual precipitation is between 500 and 600mm and drought is easy to come about. As a large portion of China's vast territory is dryland, dryland agriculture has an important place in our agricultural production. After their recent inspection tour of Qinghai, Gansu and Shaanxi, leading comrades of the central authorities pointed out that cultivating grass and planting trees and developing animal husbandry were the major programs of fundamental importance to give a facelift to agriculture in China's dry and semidry areas. This strategic principle of great foresight has clearly showed us the direction for the development of China's dryland agriculture.

I. Dryland Agricultural Production Deserves Attention

China's dry and semidry areas make up over one-half of its territory. In terms of the cultivated areas throughout the country, 25 percent is paddy field, 23 percent is irrigated land and 52 percent is dryland which lacks irrigation. The cultivated dryland, which is over one-half of China's cultivated areas, is mainly distributed in most of the areas in about 15 provinces, municipalities and autonomous regions north of the Huai River and along the Kunlun Mountains and the Qin Ridge, especially the vast area of the loess plateau along the Great Wall to the east of Baotou of Nei Mongol. In those areas 99.7 percent of the cultivated land is dryland of which only 17 percent can be effectively irrigated and thus is the major area of China's dryland agriculture.

The loess plateau was once the Chinese nation's place of origin where our ancestors created the glorious and "Oriental culture." Widespread in this area were fertile prairies and dense forests as well as good farmland covered

with crops and herds of cattle and sheep roaming to the chimes from the bells on camels' neck. It was exactly because of the vast oasis and developed animal husbandry that a large part of the forests and prairies and the loess plateau's natural environments had been able to be preserved, as up to 400 years ago there still were a huge tract of forests and meadow on the plateau. However, due to the frequent wars which the ruling feudal groups of modern times staged year after year, the predatory way of management with unplanned reclamation and denudation, excessive grazing of cattle and sheep and extensive cultivation to cope with the rapid growth of population, and other natural factors, the forests were destroyed and vegetation gradually reduced, thus causing the area's ecological appearance to deteriorate rapidly, green mountains to become bald, ravines to be scoured on the plateau, the soil to erode and its fertility to drop, wind and sand to devastate the area and natural disasters to get serious day after day. As recorded in the history books, this area generally has a large drought every 5 or 6 years, a medium drought every 3 or 4 years and a small drought almost every year.

Since the founding of the New China, the party and the government have adopted a series of measures to fight drought, strived for the improvement of the conditions for production and raised the level of farming by scientific methods to achieve a fair-sized development of dryland agriculture. However, judged by the situation in the whole country, the guiding ideology for agricultural development has long been leaning toward irrigated agriculture and stressing the production of grain, thus turning this area which originally should be an area mainly for forestry and animal husbandry into an area half for agriculture and half for animal husbandry or even wholly for agriculture. As a result, its ecological appearance continues to be destroyed, the erosion of its soil is aggravated, its soil granulates and the content of organic substances in its soil drops. In addition, for a long time this area has had very little input of materials and energy, insignificant changes in the condition of its production, poor ability in fighting and preventing natural disasters and a slow pace of growth for its agriculture. According to 1981 statistics, its average yield per mu of grain was merely 200-plus jin, equivalent to only 40 percent of the national average, and the state has to send over 7 billion tons of grain to this area every year. If not totally changed, this situation is bound to slow down the pace of the modernization of China's agriculture.

II Bring the Favorable Factors into Full Play

Dry weather is one of the important factors in the dryland agricultural area restricting its agricultural development, which, together with soil erosion, accelerates the imbalance among such natural elements as water, heat, soil, air and plants. However, there still are many favorable conditions and a great potential for the development of agricultural production in this area.

First, the peasants in China's dryland area, especially those in the loess plateau area, have a long history of developing agriculture and have accumulated abundant experience in dryland farming. Judged by the coefficient of water consumption for the yield of each jin of grain in 20 counties of Shaanxi, Gansu and Ningxia, the maximum and minimum amounts for each jin

of summer grain crops are 9.4 and 2.7 mm, respectively, and those for each jin of fall grain crops are 7.0 and 2.2 mm, respectively. The coefficient of water consumption of some communes and brigades having better dryland farming skills, however, is as low as 1 mm. This manifests that the yield of agricultural crops in the dryland area will increase by a large margin if the experiences in the ongoing effective farming skills are summed up and spread and the utilization of natural precipitation is improved.

Second, the energy from light is abundant, rain and heat come about in the same season and the resource of light heat is plentiful. In a large part of the dryland area, the annual amount of radiant heat is between 120 and 160 kilocalorie/mm², the number of sunshine hours between 2,600 and 3,000 hours, the accumulated higher-than-0°C temperature between 3,000° and 5,500°C, and the length of the frost-free period between 110 and 220 days; thus, it is possible for this area to have one or two crops a year or three crops in 2 years. Although the precipitation in this area is little and unevenly distributed, 50 to 70 percent of it concentrates in July, August and September, which are the full growth period for crops. The yield and quality of crops can be significantly improved if their layout is scientifically arranged and the resources, such as light heat and precipitation, are fully utilized.

Third, the dryland area is vast and contains various types of soil. The farming land for the peasants in this area is 3.4 mu per person, which is 1.3 times more than the national average. In addition, it has a tract of undeveloped mountains and hillside fields and uncultivated land suitable for stock raising, which are available for cultivating grass, planting trees and developing animal husbandry. This area is also an important producing area of various kinds of fruits, timber, animal products and native products, thus providing favorable conditions for a diversified economy. The future of the cultivation of grass, planting of trees and development of animal husbandry will be unlimited if the grand strategic goal can be combined with the masses' immediate interests.

Fourth, the dryland area also has an abundant supply of coal and petroleum. Many key construction projects of the Sixth 5-Year Plan period are located in this area. This situation provides favorable conditions for the development of industries for the modernization of China's agriculture, such as chemical fertilizer, pesticide and agricultural machinery. In addition, the rich supply of wind power can also produce supplementary energy for agricultural development. The wind energy in the Nei Monggol Autonomous Region alone makes up 30 percent of the national total.

III Suit the Remedy to the Case Region by Region

Basically, China's dryland area belongs to the middle latitude dry and semidry type, but its topography is comparatively complicated and the vertical distribution of climate in it is remarkable. There is the lower-than-sea-level Turfan basin as well as the sky-high Qinghai-Xizang plateau. The types of climate range from cold dry to warm dry to hot dry, and the complicated topography and landforms contain high mountain, plateau, plain, basin,

desert, gobi, prairie and oasis. The natural vegetation, soil, animals and plants and other natural resources are abundant in supply under such complicated topographical and climatic conditions. Hence, it is necessary to work out the division of dryland agricultural areas and comprehensively develop and manage them. The emphasis on irrigated agriculture should be shifted to both irrigated agriculture and dryland agriculture, with the latter as the center, and the emphasis on the engineering measures to both engineering measures and biological measures, with the latter as the center. Mountains, water, soil, prairies, forests and fields should be comprehensively managed. With all these measures, we will strive for the creation of a new aspect for the development of dryland agriculture.

Based on the differences in the natural economic conditions of China's dry areas and the characteristics of the drought-attacked locations and referring to the findings of the previous study on the division of dryland agricultural areas, we may divide China's dryland agriculture into four regions:

1. The windy, dusty, cold semidry region of the western part of northeast China, Nei Monggol and along the Great Wall. This region includes the western part of the three provinces in northeast China, the Yinshan District east to Baotou of Nei Monggol, the Chende and Zhangjiakou District in northern Hebei, and the counties along the Great Wall including Yanqing of Beijing Municipality, Yanbei of Shanxi Province, Yulin of Shaanxi Province and Yanchi and Tongxin of Ningxia Province. In this region, the semidamp area extends to the semidry and dry areas from east to west and from south to north, and the precipitation is 400 to 500 mm in the southeastern part and 200 to 300 mm in the northwestern part, and there is much wind and dust during the spring season. Its grain crops include corn, sorghum, rice and potatoe; its industrial crops comprise beet, soybean and sunflower. It is characterized by extensive management, numerous disasters, low yield and sharp contradictions between agriculture and animal husbandry, and its prairies retrograde and its soil granulates. The development of this region should be focused on cultivating grass and planting trees, protecting agriculture with forestry and promoting agriculture with animal husbandry, conducting a diversified economy simultaneously and developing agriculture, forestry and animal husbandry comprehensively. In the area where vast prairie and hillside fields, animal husbandry should be major industry and combined with forestry. In the area which is half for agriculture and half for animal husbandry, agriculture, forestry and animal husbandry should be combined, and the system of rotation and interval planting of crops should be replaced by the system of rotation planting of crops and grass. In the agricultural and grazing area, agriculture should be made the main industry, drought-resistant crops should be expansively planted, and commodity bases for beet and oil-bearing crops should be built.

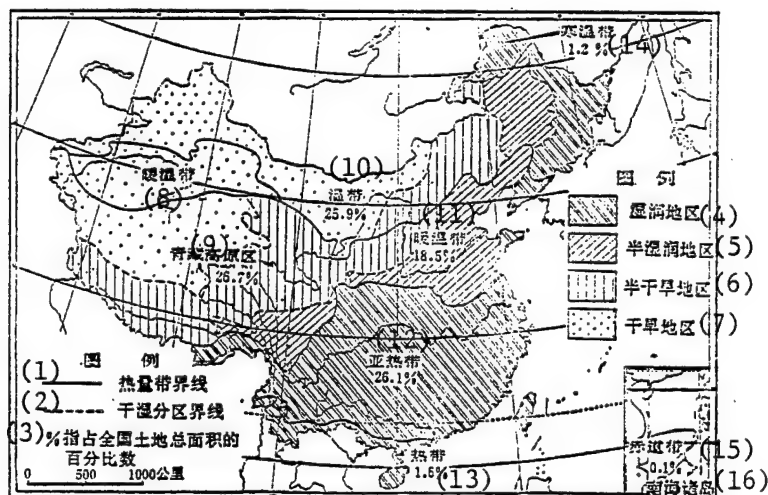
2. The loess plateau semidry region. This region includes several counties in western Hebei, a large part of Shanxi, the western part of Henan, the northeastern part of Shaanxi, the central and eastern parts of Gansu, the southern part of Ningxia and the eastern part of Qinghai. In this region, the annual precipitation is between 400 and 600 mm, the length of the frost-free period between 100 and 200 days, and the accumulated higher-than-0°C temperature between 2,000 and 3,000°C. Its land contains a thick layer

of earth and has numerous ravines on it; its topography is broken and unsmooth. Its soil is thin and erodes, its management extensive and its ecological balance seriously discordant. Its grain crops include winter wheat, which is the main kind, corn, rice and broom corn millet; its industrial crops comprise rape and sesame. The direction of the development of this region is cultivating grass and planting trees, increasing vegetation, conserving water and soil, combining agriculture with animal husbandry and building large-scale commodity production of animal husbandry, self-sufficient agriculture and sheltering forestry. In the hilly area, forestry and animal husbandry should be the main industries, shelter forests should be vigorously cultivated, animal husbandry should be developed, agriculture should be promoted with developed animal husbandry and the yield of grain should be improved. Meanwhile, commodity bases for grain should be gradually built in river valleys and basins and the stock-raising industry, forestry and the fruit industry as well as a diversified economy should be developed.

3. The northwestern Gansu and Xinjing semidry region. This region includes all of Xinjiang, the Hexi Corridor of Gansu, the central and northern parts of Ningxia and the western part of Nei Monggol. Most of this region has a dry desert climate, an excellent supply of light heat and a frost-free period of 100 to 200 days, but it is dry and short of rain and its annual precipitation is below 250 mm in general and less than 100 mm in over one-half of its area. It is a region where "agriculture exists if there is water." Its grain crops include winter wheat and corn; its industrial crops are many in variety and good in quality. However, it has such problems as strong wind erosion, serious damage caused by sand blown by the wind, alkalization of the secondary salt in its soil and overburden on its grazing land. Henceforth, we should rationally utilize the natural resources in this region in line with local conditions and combine agriculture, forestry and animal husbandry in it. In this region's agricultural areas, agriculture should be the main industry, water resources should be rationally opened up and economized, alkalization of the secondary salt in the soil should be prevented and commodity bases for such superior products as grain, cotton, beet, melons and fruits should be built. In its grazing areas, agriculture and animal husbandry should receive equal attention, grassland should be intensively cultivated, the stock loading capacity and meat productivity should be improved and the production bases for animal husbandry should be built step by step.

4. The northern part of the North China plateau semidamp-and-dry-easy region. This region includes central Hebei, northwestern Henan and northwestern Shandong. Its supply of light heat is abundant and frost-free period is between 170 and 220 days. Although the annual precipitation is between 500 and 600 mm, it has a large variation rate and uneven seasonal distribution, thus causing drought in spring and flood in summer. The alkalization of the secondary salt in its soil is comparatively serious and its soil fertility is weak. Its farming is extensive and the variation of its yield is relatively big. The direction for the development of this region is making planting the main industry and comprehensively developing a diversified economy based on agriculture, forestry and animal husbandry to implement the combination of the irrigated agriculture and the dryland agriculture.

China's Caloric Zones, Arid Regions, and Moist Regions



1. Caloric zone boundary
2. Boundary between arid and moist regions
3. Percentage of total land area of China
4. Moist region
5. Semi-moist region
6. Semi-arid region
7. Arid region
8. Warm temperate zone
9. Qinghai-Xizang Plateau
10. Temperate zone
11. Warm temperate zone
12. Subtropical zone
13. Tropical zone
14. Cold temperate zone
15. Equatorial zone
16. South China Sea Islands

CSO: 4007/69

NATIONAL

SPEEDY CONVERSION OF GRAIN URGED

Beijing JINGJI RIBAO in Chinese 12 Sep 84 p 1

[Commentary: "We Must Make Grain Conversion a Great Issue"]

[Text] China's fine grain production situation has attracted worldwide attention. Since the Third Plenary Session of the 11th Party Central Committee, rural reform and various economic policies have resulted in a rapid expansion of grain production exceeding all expectations; we have made 5 giant strides in 5 years, reaped bumper harvests one year after another, and met the "6-5" [Sixth 5-year] Plan production target 2 years ahead of time. The nationwide total output of grain and the commodity rate have increased significantly year after year, with both setting all-time record highs. Moreover, this is the first time since the founding of the PRC that there has appeared "warehouse capacity crises," "grain-selling difficulties," "grain-storage difficulties," and "grain-transport difficulties" one after another.

This unprecedented fine situation in grain production is a historical turn of events and an outstanding manifestation of the fine situation obtaining in the countryside at present. The happiness and "worry" involved in the grain issue is completely in accord with the dialectics of the development of things. For all matters, if things go smoothly, there will be difficulties; if there are difficulties, there will be a way to overcome them. There is more grain now than there was in the past and because the suddenly increased momentum exceeded our estimates we were not adequately prepared ideologically or materially, which brought great hardships to our storage work. At the same time, because the price system has yet to be brought into line and the grain purchase and sales prices have been inverted for a long period of time, there has been great pressure on public finances. But we should also realize that China does not have all that much grain, not to mention the relatively low levels of per capita grain rations for a considerable portion of poor districts, minority nationality districts and border regions; the per capita amount for the nation as a whole is less than 800 jin, which is very much below that for some of the developed nations. This surface "surplus" reflects a somewhat irrational industrial mix in China's rural areas, a very long period in the past of concentrating on grain, insufficient attention given to economic diversification, an underdeveloped livestock industry and weak grain conversion capability.

The present grain situation, therefore, must certainly be looked at correctly; we must keep a clear head, be sure to pay attention to keeping the peasants enthusiastic about growing grain and should not, under any circumstances, adopt policies which would restrict grain production. Because of the imbalance in economic development in the rural areas of China and because of the customary way of doing things, the technological level and the labor structure and the fact that a great number of peasants depend on grain farming to make a living, we cannot take grain production lightly. What we presently see in some localities is that peasants adjust crop distribution on their own based on changes in the market situation, reduce grain acreage, investment and "cultivating infertile land;" this merits our serious attention.

The present key to solving the so-called grain "surplus" problem is to devote major efforts to expanding the livestock, food and feed industries as quickly as possible, and speeding up the process of converting grain. In order to spur on this conversion so it can be accomplished with all haste, we should boldly explore, research and formulate relevant policies which help to mobilize and encourage all localities to expand the livestock, food and feed industries, and take decisive and forceful action based on new and changed circumstances and developing trends.

We should seize the opportunity to withdraw hilly land from agriculture and return it to forestry. Some regions could also organize peasants to engage in such productive activity as afforestation, fixing roads and small-scale water and electric works, and to work on construction projects; they could be paid for their labor in grain as a substitute for government investment. This would convert a considerable portion of grain.

We should actively guide the peasants to plant grain varieties "in short supply" which the masses want, the market lacks and which could serve as raw materials for foodstuffs and beverages, and we should control and cut down on popular goods "in long supply." There are peasants in some localities in Henan who have grown such miscellaneous crop varieties as sesame and mung beans in recent years, and sales have been pretty good. The departments concerned must encourage this through pricing by setting higher prices for fine quality.

We should carry on multi-channeled operations and be meticulous and practical in reforming the grain circulation system, open up many channels of circulation so commodity grain can truly flow unimpeded; we should especially encourage and support grain-storage specialized households and grain-transport specialized households, and give appropriate consideration to things such as industrial and commercial administration, transport and interest on loans for the various types of specialized households engaging in operations, transport and sale of grain and enable those so engaged to profit. We could also take into account and act on regional and seasonal grain price differences and apply the economic lever to accelerate vitalization. There is a peasant in Yunnan who rented a truck and transported more than 1 million jin of grain to market; not only did this one person profit, but the state and collective benefitted as well.

Another important aspect of resolving the grain "surplus" problem is for the grain departments to carry on integrated operations, implement finishing and multiple processing and bring about managerial reform as quickly as possible; what is more, there is fine potential in this area.

The grain problem is a great economic problem. The fall grain harvest is at hand and the Party Central Committee and State Council have issued an official notice that however much grain is produced by the peasants will be procured; purchases will not be limited or refused. The grain departments in the various localities are now actively thinking of ways to expand storage, the transport departments are striving to increase transport capacity, and the agriculture departments and the Party and government leaders at all levels are also actively trying to think of ways to improve the situation. We are convinced that if we conscientiously make grain conversion a great issue, grain production in China definitely will continue to expand steadily.

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NATIONAL

GRAIN STORAGE, TRANSPORT PROBLEMS DISCUSSED

Beijing JINGJI RIBAO in Chinese 30 Aug 84 p 2

[Article: "Official at Ministry of Commerce, Grain Storage and Transport Bureau, Suggests We Draw a Serious Lesson from Maliandao Grain Storage Contamination Mishap; Ministry of Commerce Conducts Investigation, Thinks Anyang Prefecture Grain Transfer Post Should Assume Main Economic Responsibility"]

[Text] An official at the Ministry of Commerce Grain Storage and Transport Bureau recently pointed out to reporters that the glass fiber contamination of 660,000 jin of wheat transported from Anyang, Henan, to Beijing's Maliandao grain storage facilities is a serious matter and we should conscientiously draw a lesson from it. He said the Ministry of Commerce conducted an investigation of the matter last year and in November of that year issued a notice to the nationwide grain system that it felt the Anyang Prefecture grain transfer post should assume main economic responsibility and the grain delivery unit should shoulder the burden for the economic losses incurred in handling the grain.

This official pointed out that the main reason for the contamination of the wheat was that the grain delivery unit was not rigorous in implementing the relevant provisions of the "Regulations for Managing Allocation and Transport of Grain and Edible Oil," the transport vehicle was not thoroughly cleaned before shipment and inspection was not meticulous; not operating in accordance with the provisions was a foreshadowing. He said that grain loss mishaps in transport are not limited to the kind at the Maliandao grain storage facilities. According to preliminary statistics, in 1983 grain losses in the transport process caused by moisture, contamination and theft amounted to 6.38 million jin.

The official offered three suggestions for successfully carrying out grain storage and transport work. First, we must be thoroughly realistic, enhance leadership, draw lessons from past experiences, and conscientiously overcome bureaucratism and irresponsible behavior. Second, we must make a concerted effort with the railroad and traffic departments, support each other, proceed from the interests of the whole and carry on the grain transport work together. It is proposed that the railroad shipping departments increase the number of special-purpose grain cars, fit them with good-quality tarpaulins and pay attention to cleaning out the cars well. Third, we must insist on abiding by

the regulations and strictly enforce them. We need to investigate and affix the responsibility for accidents due to negligence caused by violations of the rules and regulations, administer the necessary punishment, do not permit ourselves to avoid the important while dwelling on the trivial, or even less permit settling a matter by leaving it unsettled.

On 20 August the Ministry of Commerce made a report to the State Economic Commission on the Maliandao grain storage contamination problem and related in detail what happened, how it happened and how it was handled.

Readers' Response: Willing to Put Forth Effort to Salvage the Contaminated Grain

Many readers are very concerned about how the 660,000 jin of contaminated grain is going to be handled. A worker at the Beijing Chongwenmen Hotel phoned to say, "Although we are common workers, we were quite distressed to see state property suffer losses. If disposal of the grain requires a work force, we are willing to participate and volunteer our labor."

Li Jin'gang [2621 6855 6921] and Li Guichen [2621 6311 5256], engineers at a thermostat plant in Shanyang City, Liaoning Province, said in a letter, "Investigating and affixing the responsibility is a matter for the departments concerned; how to salvage the 660,000 jin of wheat is the responsibility of each of us technical workers. The technical personnel in our plant have drawn up a plan to separate the glass fiber from the wheat. If necessary, we are willing to contribute our capabilities to salvage the state property."

12513
CSO: 4007/46

NATIONAL

CONVERTING GRAIN BASES TO INTEGRATED COMMODITY PRODUCTION BASES PROPOSED

Transforming Commodity Grain Bases

Beijing JINGJI RIBAO in Chinese 10 Sep 84 p 1

[Article: "Commodity Grain Bases Must Be Built into Integrated Commodity Production Bases; He Kang Points Up Need To Strive To Develop Feed, Food Industries and Carry Out Large-scale On-the-spot Processing of Grain"]

[Text] Construction of commodity grain base experimental counties is progressing rapidly and the results are clear. He Kang [0149 1660] pointed out at a conference for the leadership group and responsible persons of the commodity grain bases in 11 provinces and autonomous regions that the commodity grain base counties must concentrate on converting grain; they must be built into integrated commodity production bases to set an example for the whole nation.

According to a recent inspection conducted jointly by the State Planning Commission, Ministry of Agriculture, Animal Husbandry and Fishery, Ministry of Commerce and Ministry of Water Resources and Electric Power, 1983 investment for the 50 commodity grain base experimental counties on which construction began last year was 168.65 million yuan, which surpassed the annual plan. Last year the 50 counties produced a total of 54.6 billion jin of grain, which amounted to 7 percent of the total output of grain nationwide and an 18 percent increase over the previous year; 23.7 billion jin of commodity grain was turned over to the higher authorities, which was a 43 percent increase over the previous year; gross agricultural output value reached 15.9 billion yuan, which was a 22 percent increase over the previous year.

The number of base counties has been increased to 60 this year and various construction projects are now in full swing. To date, 58 percent of total investment for the whole year has been completed. After the new increase in production capacity, summer grain production for 6 counties in Henan this year increased 400 million jin over last year, and for 6 counties in Hubei it increased 200 million jin; the increased production for all of them greatly exceeded provincewide averages.

The three ministries and planning commission held a conference in Beijing from 2 to 5 September for the leadership group and responsible persons of the commodity grain bases in 11 provinces and autonomous regions. He Kang, State

Planning Commission deputy director and Minister of Agriculture, Animal Husbandry and Fishery, when speaking to the conference on the need to gradually build the commodity grain base experimental counties into integrated commodity production bases, pointed out that we must strive to expand the feed and food industries and carry out on-the-spot processing of grain on a large scale; this is the only way we can quickly change the single-product economic structure and develop in the direction of integrated commodity production bases.

Examples for Grain Conversion

Beijing JINGJI RIBAO in Chinese 10 Sep 84 p 1

[Commentary: "Commodity Grain Bases Must Set Example for Converting Grain"]

[Text] A fine situation obtains in the rural areas of China. How can we further improve upon this fine situation? An important step would be to devote major efforts to expanding the feed and food industries, carry out grain conversion and fundamentally resolve the "grain-selling difficulties," "grain-transport difficulties" and "grain-storage difficulties" which have appeared in some areas in recent years. This is the only way we can keep the broad masses enthusiastic about expanding agricultural production, especially grain production, and promote development of a rural commodity economy on a large scale.

The results obtained in increased production since last year is obvious for counties jointly set up by the state and the localities. Based on present circumstances the commodity grain base experimental counties not only must continue to increase grain output but even more must make grain conversion the focus of construction from now on in expanding the feed and food industries, in order to gradually change the local economic structure, change the single-product commodity grain bases into integrated commodity production bases and set an example for the whole nation.

In order to accomplish this task, construction investment must be appropriately readjusted for the base experimental counties. We must expand the proportion of investment for the feed and food industries; we must take 10-20 percent and even more of funds and materials to set up these industries, bring about on-the-spot processing, conversion and value appreciation, serve the peasants and make them rich.

In order to expand the feed and food industries, the various base counties could adopt the approach of setting up agricultural-industrial-commercial or animal husbandry-industrial-commercial economic entities, or they could implement cooperative economic associations with industry and business and through the association open up diverse prospects for grain conversion.

Relying on the plant crop industry alone to double agricultural output will not do; even less so would it do to rely solely on grain. This can only be accomplished by basing it on the overall development of agriculture, forestry, animal husbandry, fishery and rural enterprises. We hope the 60 commodity grain base experimental counties will strive to tap the potential of funds,

material resources and technology, fully utilize their resource strengths, set a fine example and provide experience for the rural areas throughout the country in the course of achieving grain conversion and setting up a new economic structure.

12513

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NATIONAL

SPECIALIZED HOUSEHOLDS MOVE TO DIVERSIFY RURAL ECONOMY

Beijing LIAOWANG [OUTLOOK WEEKLY] in Chinese No 52, 24 Dec 84 pp 22-23

[Article by Song Zhang [7313 4545]: "Specialized Households Advance Along a New Line"]

[Text] Recently, more than 320 specialized householders from 28 provinces, municipalities and autonomous regions arrived in Beijing at their own expense for a forum. At the forum, they exchanged experiences in developing commodity production along with related information. Among other subjects of study at the forum was a new topic: the promotion of rural reform and the further development of commodity production. The forum indicated that as a vanguard in developing our rural productive forces, the specialized households striving to smash various shackles, old conventions and habits are now on the march toward broadening the scope of production and generating a new enthusiasm for further improving the rural industrial structure and for promoting urban and rural reforms simultaneously.

Specialized households are a product of our country's rural joint-venture contractual responsibility system. From the very beginning, they made their debut in history as commodity producers. A short time later, they demonstrated their ability to survive with high productivity, a high commodity rate, high economic results and high incomes. Now they are on the move again in hopes of reforming the rural industrial structure in a more rational way and advancing our rural economy along lines emphasizing specialization, commodity production and modernization. By now, rural China has 24-25 million specialized households, equivalent to about 14 percent of the total number of peasant households, which have expanded their business activities to all parts of China.

In the year following the circulation of the CPC Central Committee's 1984 Document No 1, what points of particular significance to the production and management of China's specialized households have come to our attention and what is the outlook of most of them? Based on the latest information provided by participants in the forum, this topic can generally be discussed in the following five ways:

--All short-term operating projects which have produced quick results but small profits have given way to long-term projects that can yield big profits over a prolonged period of time. As a result, there have been a

constant expansion in the scope of production and a continued increase in the output of commodities. Due to the implementation of the party's policy aimed at providing specialized households with "a sense of security," during the past year they have replaced their single-family operations with large-scale contract-projects and developed their short-term arrangements into long-range plans. Specialized households who dare to sign contracts for developing 1,000 mu of barren mountains and several hundred mu of farmland and tideland and for raising hundreds of domestic animals and 10,000 domestic fowls have sprung up one after another. Some have even put into operation large-scale farms (or forest pastureland), family breeding farms or family-run factories. Li Guangyu [2621 0342 3188] of Waigou Village, Senjitu Township, Fengning County, Hebei, has signed a contract to develop 1,000 mu of barren mountains. He has also used the income from operating family rice and flour processing mills, from growing crops in 80 mu of land assigned by the government and from raising cattle and sheep to finance tree-planting projects that will produce results over a long period of time. In short, he has relied on the development of industry, agriculture and animal husbandry to grow trees. During the past 2 years, he has invested more than 10,000 yuan for this purpose. Last summer, he covered 720 mu of land with trees, for which he was named a model tree planter by his county. This year, Shenyang Municipality has seen more than 1,000 major specialized households emerge each with the equivalent to a dozen or a score of ordinary specialized households in scope of business operation.

Single-crop growers and domestic animal breeders have expanded their businesses to include food processing, construction, transportation, farm machinery, commerce and service trades and their areas of operation from the suburbs to the cities, towns, mountainous areas and pasturelands. Particularly noteworthy are households specializing in food processing which have grown faster than others. According to statistics tabulated by the departments concerned, China now has more than 2 million households specializing in food processing. In Shandong Province, households specializing in food processing accounted for approximately 20 percent of its specialized households. Households specializing in construction and transportation are growing in numbers. There are now 2.05 million households engaged in construction and transportation throughout the country. Also active at urban and rural construction sites is a vast army of 5 million peasants. There has also been a sharp increase in the number of specialized households in the area of circulation. China now has more than 200 agricultural-product and by-product wholesale marketplaces, more than 3,000 agricultural-product trade centers and warehouses at the county or higher level and approximately 50,000 country trade fairs. Individual commercial households originating in the countryside have also been active in both urban and rural China and have made goods available to people in remote areas. Particularly noteworthy are households specializing in service trades and other tertiary industries which have also rapidly grown in strength. These peasant households specializing in service trades have begun to form a multi-channel and multifaceted service network through integration with social service systems instituted by the state and

collectives. In addition to providing services to satisfy the people's daily needs, they have promptly provided commodity producers in the urban and rural areas with technical skills, information, seedlings, immunization shots, storages spaces and other services. In short, those specialized households which have taken the initiative to break out of the cocoon of a single food crop growing operation have bade farewell to the mentality of erecting a barrier between urban and rural production, supply and marketing units and a link in information exchanges between urban and rural China, not only have they provided a material basis for reforming the urban and rural economic systems simultaneously but have also widened the people's vision and contributed a new form of wisdom and energy to the development of the Chinese-style socialist economy.

--The rising level and more sophisticated classification of specialization have proved instrumental in persuading peasants to devote full time instead of part time to running businesses and replace all-inclusive operations with operations concentrated in the production of a single commodity. A few years ago, the so-called specialized households were actually ones which could devote only their spare time to running "small but all-inclusive" commercial shops. With the development of commodity production, many specialized households have felt that working as peasants, industrial workers and businessmen simultaneously would not lead them to their intended goal and would be counterproductive. Soon, a number of specialized households began to break with the old concept of "relying on the soil to produce food" and to probe for new ways of production. According to statistics tabulated by Hunan's 6 prefectures including Yiyang and Changde, during the past year more than 115,000 specialized households have "migrated from their native places" to open businesses elsewhere. To do so is in the interest of tapping the potential of both the people and the land to the best advantage and will result in making more farmland available to devoted peasants, lead able craftsmen to bring their professional skills into play and play a significant role in developing township enterprises and bringing prosperity to the small towns. Furthermore, the fact that peasants have the urgent need to purchase the means of production and transportation and building materials and that their demands for consumption are rising drastically from the low level to the moderate level will undoubtedly brighten the prospect for economic reform in cities. In carrying out their business activities, peasants will naturally have to compete with state and collective enterprises, thus contributing greatly to the reform of urban enterprises. In the past, there were many households specializing in domestic animal and fowl breeding which carried out the whole process ranging from production to marketing in a spirit of self-reliance. Today, this "small but all-inclusive" business approach has gradually given way to the "small but more sophisticated" or "more sophisticated large-scale" business approaches. As a result, a number of specialized households willing to devote full time to breeding, cultivating, raising and marketing their domestic animals and fowls have emerged one after another. The more sophisticated the classification of social work among various functions, the closer their coordination would become and the greater their reliance on urban enterprises and new technologies.

--A large-scale economy in its initial stage has begun to take shape as a result of the "regional" development of production and the management of specialized households. Once a peasant dares to become rich and learns how to become rich, "one household after another and one neighborhood after another would like to follow suit" until this trend becomes an inevitable. At present, a large number of specialized villages, townships, towns and even counties and marketplaces have sprung up in many parts of the country. The factors underlying the development of this form of regional business operations lie in learning and applying science. This new practice of developing production is instrumental in pushing rural China in the new direction of popularizing and improving science and technology with quick results.

--Integrated economic bodies in various forms have emerged in the wake of the integration of various forms of specialized production. This has opened a new prospect for the modernization of agriculture. Due to the development of commodity production, contradictions between expanded reproduction on the one hand and the limited labor force, funds and technical equipment on the other cannot be avoided within a family or household. For this reason, voluntary integration based on needs has become an inevitable trend. This form of integration sometimes involves only the labor force and sometimes technology and capital. It can also take the form of horizontal integration between different zones. Integration can take place not only between one specialized household and another but also between a specialized household and a collective or state enterprise. Rural China now has approximately 800,000 newly integrated economic bodies in various forms in which 4.5 million peasant households equivalent to 18 percent of the nation's specialized households have participated. According to an investigation conducted by Anhui's Fuyang Prefecture, many specialized households have voluntarily chosen the path of joint operation. Among them are more than 1,000 specialized households from 5 specialized villages which have consolidated themselves into more than 150 integrated bodies with remarkably improved economic results.

The continued development and growth of specialized households have brought about profound changes in rural China. The way of life in which 800 million Chinese peasants were left no choice but to grow crops for a living has become a thing of the past. The exploratory experiments with commodity production carried out by millions of specialized households and millions upon millions of Chinese peasants have brought about unprecedented changes in rural China's industrial structure and the allocation of its labor force. As seen from their development trend, it is certain that all original and newborn specialized households in all forms will join the vast numbers of peasants, various integrated economic bodies and township enterprises in vigorously developing urban and rural productive forces and in playing a positive role in laying a good foundation for a Chinese-style modern socialist economy.

NATIONAL

PRC GRAIN, EDIBLE OIL INDUSTRIES FLOURISH

Beijing JINGJI RIBAO in Chinese 12 Sep 84 p 2

[Article: "China's Grain, Edible Oil Industries Flourish; Polished Rice, Super Flour Output Increases, Market Supplies Improved"]

[Text] China's grain and edible oil industries have flourished in the 35 years since the founding of the PRC, especially since the Third Plenary Session of the 11th Party Central Committee. The gross output value of these industries in China in 1983 amounted to 21 billion yuan, which accounted for 26.5 percent of the gross output value of the food industry; it was an increase of 16-fold over 1949, with an average annual growth rate of 8.7 percent. According to statistics on the output of products, flour output in 1983 increased 30-fold over 1949, rice output increased 6-fold and edible vegetable oil products increased 26-fold. There has also been a large expansion of finishing and multiple processing of grain and oil-bearing crops. Product quality for the grain and edible oil industries is generally higher because quality control has been enhanced. In the last three years 33 kinds of products have been awarded the title of Ministry of Commerce High-Quality Product. Among these, Baiyun brand Xianggu mushroom quick noodles produced in Guangzhou City, and Yandu brand standard no-salt vermicelli produced in Zigong City, Sichuan Province, were awarded the 1983 State Silver Medal.

In the first half of this year the grain departments produced a total of 6.87 million tons of polished rice and refined flour nationwide, which was equivalent to 69 percent of output for the whole of last year. The output of polished rice was 4.23 million tons, which was 42 percent of husked rice output; refined flour output was 2.64 million tons, 24 percent of flour output.

The supply situation has improved after the increase in polished rice and refined flour output. There are now wide open supplies of polished rice in Jiangsu, Zhejiang, Anhui, Jiangxi and Hunan provinces, Beijing and Shanghai municipalities, Chongqing City, and some of the cities in Guangxi Autonomous Region, and Yunnan and Guizhou provinces. Supplies of refined flour are open wide in Jiangsu, Zhejiang, Anhui and Jiangxi provinces, Beijing, Tianjin and Shanghai municipalities, Harbin, Shenyang, Jinan, Chongqing and Yinchuan cities, and a portion of the cities in Hebei, Henan, Guangdong, Yunnan, Guizhou and Gansu provinces.

NATIONAL

PROPOSALS FOR CONSTRUCTING SUPERIOR QUALITY COTTON BASES

Beijing NONGMIN RIBAO in Chinese 4 Feb 85 p 3

[Article: "Some Proposals for Building Base Counties for Superior Quality Cotton"]

[Text] Editor's Note: China should establish a number of base counties for superior quality cotton. Organizational experts of the Ministry of Agriculture, Animal Husbandry, and Fishery conducted a study on this and came up with a set of systematic proposals and very good ideas for building the base counties. They believe the following:

1. The key to building these high quality cotton bases lies in speeding up seed selection to spread the high quality cotton varieties and replacing the inferior varieties by stages and in groups.

The first step is to use a period of 2 years for speeding up the breeding of existing improved varieties of fairly high quality, then using these to replace the present degenerating varieties in production that are inferior or mixed, and carrying out regionalized distribution. On this basis, to go another step forward in attaining a standard for high quality cotton, we should strive to, by the year 1990, replace varieties once again with higher quality varieties achieved by tackling key problems of seed selection.

High quality varieties from abroad should be extensively introduced, with test planting and screening carried out on them. If a variety shows outstanding quality with a yield close to the level of our current improved varieties, then we should increase its testing, breeding, and the introduction of it.

As for varieties that originally had fairly high quality, they should be reevaluated, and if in accord with demands, can be considered for selection as interim varieties.

The rational distribution of varieties and the establishment of a variety mix that is complete and has a wide variety will prevent complications, overcome one-variety farming, and meet the needs of the textile industry's development along with various aspects of the international market.

2. Strengthening the system for spreading improved varieties is the basic link for building the base counties for superior quality cotton and the guarantee for solving the problem of cotton varieties being jumbled together.

We should implement a one-variety-for-each-county policy and strictly enforce control of varieties so that all varieties not examined and approved, except for those that have undergone comparison testing at country agro-technical centers or agricultural institutes, will not be planted in the base counties or other areas. If a variety needs to be replaced or an individual county needs to plant two separate varieties due to factors such as plant diseases and insect pests, it must get approval from the provincial agricultural department, and report to the department so it can be put on record.

Farms for original (good) varieties, breeding bases, and seed processing shops in gin cotton mills should be established. A breeding system that combines management and administration should also be established. Base counties should deploy advanced equipment and technology, and they should have a unified plan to strive to complete this and attain the advanced domestic level within 2 to 3 years.

The method for breeding improved varieties should proceed from reality and not engage in just one style. The three plot, mixed selection, and dry storage methods can be adopted or the original variety can be supplied directly from the breeding unit, with a contract in force between the two parties for payment.

There should be unified management of the seeds for a superior quality cotton base by the country seed department along with the possibility of joint management with the township agro-technical department to raise the seed quality and bring about reasonable prices for the seeds. The present phenomenon of some units and private individuals selling false improved varieties at a high price should be corrected.

3. Establish a network for spreading technology.

Improved varieties should be combined with improved methods. The factors affecting cotton quality are complex and they involve the aspects of seeds, cultivation, and processing. It is a joint reflection of an area's level of science, technology, and management. Research in cotton cultivation techniques should focus on outstanding quality to attain unified quality, early-maturity, and high yield.

While we are establishing the system for breeding improved varieties, attention should also be paid to making the country agro-technical extension center its hub, the township agro-technical extension station its backbone, the village service group (members) its foundation, and engage model households as the links in the network for spreading technology. Equipment is to be improved, causing the gradual modernization of technology dissemination and cultivation methods.

4. Establish cotton fields that ensure high and stable yields despite drought or excessive rain.

Superior quality cotton bases must enhance farmland capital construction. The masses are to be motivated to use their accumulated labor experience as the main tool in carrying out soil preparation and farmland water conservancy construction. Proceeding from reality, mobile irrigation should be actively developed. To create favorable conditions for producing superior quality cotton, we should simultaneously suit measures to local conditions while establishing a rational tilling system and planting style, crop rotation, combining of use and maintenance, and control the danger of spreading withering and verticillium wilt.

5. There must be appropriate policy guarantees for building superior quality cotton bases.

In instituting higher prices for superior quality, the planting of varieties that are superior in quality but have a slightly lower yield should be planned according to need. Prices this year should be appropriately raised according to the variety.

Management and administration of superior quality gin cotton mills should be handled by the agricultural department. The improved variety cotton seed produced by breeding bases is to be purchased and processed in the same manner as the old way. Delivering ginned cotton directly to the township- and village-level stations, as is done by the Special Cotton Seed Company of Lizocheng prefecture of Shandong, will reduce management.

Ginned cotton from base counties for superior quality cotton should first be allocated for use in agriculture materials such as fertilizer, insecticides, and diesel oil. Also, awards should be given to units and individuals that make outstanding contributions to the building of superior quality cotton bases.

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NATIONAL

POLICY ON CALCULATING OUTPUT VALUE OUTLINED

Shijiazhuang HEBEI RIBAO in Chinese 12 Jan 85 p 1

[Article: "Reform Policy on Calculating Gross Rural Social Output Value Outlined"]

[Text] According to the report of the Beijing Bureau of the NEW CHINA NEWS AGENCY on 11 January, two reforms were made in 1984 in the work of rural statistics, namely, in calculating gross rural social output value and in re-allocating the industrial output of the brigades from the former agricultural category to the present industrial one. These areas of reforms were proposed in "The Report on Calculating Gross Rural Social Output Value in Its Possible Reallocation from the Agricultural to the Industrial Sectors" which the National Bureau of Statistics prepared for the State Council. Recently, the State Council approved the report as well as published this new policy. In the announcement, it was also pointed out that in order to understand it completely and conduct research into the trends of development in rural economics, which should reflect the rural economic system, the gross rural social value must also be taken into consideration. At the same time, in order to show more accurately the structural changes in the different levels of the rural economy, the output of the brigades' enterprises should no longer be considered as agricultural in nature but rather as industrial in category. Gross production value is an important part of the gross rural social output value; therefore, in considering the rural economy, the two areas should be taken as integral whole.

In the report that the National Bureau of Statistics prepared for the State Council, the following measures of reform as well as projected goals were presented with the following three regulations that were promulgated in the area of calculating the gross rural social output value:

1. Total gross agricultural production value is determined as the agricultural value of all the organizations that belong to the people, the cooperative units or individuals.
2. Gross rural industrial production value includes the consideration of all the enterprises that belong to the communes, the military units and the production brigades and also to others that include the units in the villages and townships that belong to the cooperative economic units and the rural

enterprises that have been started up recently by some of the commune members, as well as other rural cooperative and individual enterprises.

3. The gross output value of the construction, transportation, commercial and food enterprises in the rural areas.

Regarding the difference between rural industrial enterprises and rural agricultural activities, the report also pointed out that in the actual practice of production, it is sometimes difficult to draw a clear distinction between the two. Therefore in this situation, the rural enterprises (i.e., all those cooperative and individual enterprises in the villages, townships and rural areas) that should be included in the gross industrial production value should be characterized as follows:

1. There should be the employment of personnel who are engaged in industrial production in the areas of the regular production sector (or areas that correspond to the regular sector), the production factory or equipment.

2. Production activities should be carried out during the whole year or at least for more than 3 months of the year.

3. The units among the rural enterprises which have their own independent business accounting, or sections of the larger agricultural or industrial enterprises which have their own business accounting, and of course individual enterprises in the rural areas.

4. Any branch under the administration of the regional industrial or agricultural units with their own licenses for commercial enterprises.

The observance of the four regulations above must be put into practice at the same time in order to calculate the production value of rural enterprises. The production of rural enterprises that remain in agricultural activities but are only engaged in industrial production at certain times should continue to be considered as agricultural in nature.

12740

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NATIONAL

RURAL TOWNSHIP ENTERPRISES TO FIT LOCAL CONDITIONS

Beijing ZHONGGUO XIANGZHENQIYE BAO in Chinese 9 Jan 85 p 1

[Article: "Developing Rural Township Enterprises To Fit Local Conditions"]

[Text] Recently, in our accounts of the progressive advancement that has been made in the different regions, we have often spoken of the unprecedented principle of "getting the resources, running the processing industries and selling the products locally." At the same time, we have also emphasized the importance of applying measures suited to local conditions. Because some of our readers have asked which of the two, namely the unprecedented "three local conditions" or work suited to local conditions, should be done, and because they have also asked for definitions of these policies, we therefore feel that the whole issue should be looked into in greater depth.

Within the last few years, in the national economy, the rural and township enterprises have developed at the fastest rate and it is also these enterprises that are of the greatest importance. These rural township enterprises have already superseded the urban industries in some of the regions in the production scale and in the areas of the finished products as well as in their importance in the open market. As a result, the products of the rural township enterprises in the south are being sent to the north, the natural materials for these enterprises in the north are also being sent from the south and those rural township enterprises along the coast may go inland for possible cooperative ventures, while those enterprises that are located in the northwest may come to the coastal areas to look for the necessary technology, equipment and personnel. Therefore, strictly speaking, the practice of "three local conditions" has already been nullified during the development of the rural township enterprises.

We should, however, realize that the rural township enterprises have arisen from the coordinated efforts of the people or the cooperative units. They are therefore different from the industries that are under central control. Although these rural township enterprises are still subject to the control of central planning, they are, however, dependent on changes in demand, and their production is also based on the market value of their products. These enterprises can rely neither on the principle of having "a big common pot of rice," which gives provisions to all, nor on unquestioned support from the state revenue. Instead, its natural and logical mode of operation is that of "spending greater efforts for greater gains, smaller efforts for smaller gains and

no effort for no gain." Therefore the direction of the flow of the "water" (i.e., money and resources) of the rural township enterprises is determined by the location of great economic gains. During the development of the rural township enterprises, the principle of the "three local conditions" may be practiced by many of the rural workers; yet when the application of the principle may restrict in any way the development of the rural township enterprises, then the principle will naturally be abandoned by the people. This is due to the rhythm of economic development and is not due to changes in the people's own will. However, some of our comrades do not understand this and they have therefore treated the principle as sacrosanct.

At the same time, we should also know that the principles both of the "three local conditions" and of following measures suited to local conditions are by no means contradictory. To follow the favorable local system is to understand the reality of the local situation and then to select the most favorable policies in order to accomplish the fastest development and therefore the greatest possible gains in the end. These two principles do not have the same bases, as some people have assumed, since the "local conditions" do not refer to the "system." Take the example of "raw material." If the local raw material is suitable, then its appropriate use will mean following measures suited to local conditions; on the contrary, if the local raw material is not suitable, then the use of a raw material from elsewhere or from abroad will also be following the local "system." This is because the practice of making use of favorable local factors and avoiding unfavorable factors is the correct way to observe the local system. On the other hand, if strict local planning is to be treated as the unshakable basis, regardless of the cause of economic gains, possibly resulting in the policy that the local raw material must be used in the manufacture of the local enterprises, then this is the practice of following local "conditions" rather than the "system." The factor of "selling" should also be similarly regarded. All goods must move, and if they cannot be moved locally, then they should be sent to be sold elsewhere or even abroad. Therefore, to sell locally and also elsewhere may both be the practice that is based on the policy of having measures suited to local conditions. Moreover, if the goods cannot be sold locally and will not be sold elsewhere because of strict adherence to the principle of "selling according to local conditions," then such a practice is in accordance with local "conditions" rather than the "system." Furthermore, even if there were a local market for the goods, and if the returns for the same goods from elsewhere were greater, then the goods should also be permitted to be sold elsewhere.

To go back to the beginning when the principle of the "three local conditions" was first formulated, it was to help in the cause of profitable production (this principle is therefore still being carried on in some of the regions) and therefore at that time, the policy should be rigorously practiced. However, during the recent development of the rural township enterprises, this policy is no longer applicable to all of the regions, and therefore its breach is of course reasonable. Now the practical application of this principle has thus become one of following both local "conditions" and the local "system." Therefore it is important for the leaders in the rural township enterprises to adopt the attitude of the commercial economy, since no system should ever be adhered to under all circumstances.

NATIONAL

PROSPERITY IN STATE FARM ECONOMY DISCUSSED

Beijing GONGREN RIBAO in Chinese 24 Sep 84 p 1

[Article: "The Five Industries in China's Farm Economy Prosper; Gross Output of Industry and Agriculture Last Year Shows 88-fold Increase Over 1952, Family Farms Spring Up Like Mushrooms"]

[Text] A great change has appeared in the agriculture of China which developed after the founding of the PRC and passed through 35 years of construction. There were only 26 local state-run farms in 1949 and 450,000 mu of land under cultivation. There are now 2,592 independent enterprises in the farm system spread throughout the nation in 29 provinces, municipalities and autonomous regions, which was 100-fold more than the number of farms when New China was established. There is more than 67 million mu of reclaimed wasteland, which is 150-fold more than farm acreage at the time of liberation. Gross output value of the farm system for the nation as a whole rose from 147 million yuan in 1952 to 13.1 billion yuan in 1983, or an 88-fold increase. Average labor productivity for all personnel in 1983 was 2m608 yuan, which was a 4.2-fold increase over 1952. In the last 35 years, the farm system has produced an accumulative total of more than 200 billion jin of grain and pulses and 1.34 million tons of natural rubber. The farm system initially set up a group of commodity grain bases, cash crop bases, urban non-staple food bases and foreign trade export bases.

Since the Third Plenum of the 11th CPC Central Committee, the farm system has relied on policy and science and technology centered on making up deficits and increasing surpluses, carried out a series of reforms in financial contracting, changed the past state monopoly over farm income and expenditures, gave the farms a measure of self-determination in administration and management through the method of having the state contract for everything and aroused the enthusiasm of enterprises and individuals toward production, which tremendously increased economic benefits. At the same time, each farm actively pursued the responsibility system, and we set up staff and worker family farms, which caused agriculture, forestry, animal husbandry, sideline occupation and fishery to prosper in every farm district. State-run farms also changed the single-product method of operations of the past, vigorously developed

joint agricultural-industrial-commercial enterprises and implemented an integrated system of production, processing and marketing. Implementing comprehensive agricultural-industrial-commercial operations enlivened the farm economy and promoted production, which increased the income of staff and workers. Through this series of reforms, the state-run farms smashed the old restrictions of the past and brought into play the superiority of farm mechanization and science and technology. Since 1979, the gross output value of industry and agriculture in the farm system has had an average annual growth of 9 percent and the gross output value from industry and agriculture of 259 farm enterprises in 27 province, municipalities and autonomous regions has doubled. Gross output value from industry and agriculture has more than doubled from farm enterprises in Tianjin, Zhejiang, Shanxi, Sichuan and Guizhou.

In the last few years the farm system has come up with early 1000 achievements in scientific research, 18 of which won a state Scientific and Technological Association Award and 30 of which won a state Science and Technology Popularization Award. Of the research achievements, the technology to shift the growing of rubber trees to large areas in the north captured a state Award for Invention, First Class.

12513

CSO: 4007/42

NATIONAL

ROLE OF AGRICULTURALLY DIVERSIFIED RURAL HOUSEHOLDS EXAMINED

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese
No 11, 23 Nov 84 pp 16-18

[Article by Yuan Benpo [5913 2609 2613] of the administrative office of Peiling Prefecture in Sichuan Province: "On Rural Households Engaging in Several Fields of Agricultural Production"]

[Text] Among our rural villages in their process of changing from the economy of semi-self-sufficiency to one of commodity, there have emerged many rural households who are engaged in several fields of agricultural production.

Rural households that are engaged in several fields of production can be defined as those who emerged during the process of economic development producing higher proportions of commodities. They have engaged in other means of production in addition to growing agricultural products, such as the timber industry, fishing and livestock, and even commerce or other subsidiary industries. The lower sectors of the rural households that are engaged in several productions usually stay in agriculture, while the upper sectors may go beyond the agricultural field. The engagement in several fields of agricultural production means rural households that are engaged in specifically agricultural production.

However, the engagement of rural households in several fields of agricultural production is not a new development either within or outside our country. As early as the 15th century in England, the phenomenon developed with the development of sheep-rearing. At that time, among the rural villages in England, there emerged many households that became engaged in both agricultural and industrial production among their handicraft production at home. These households would, therefore, do agricultural labor in the fields in the summer and in the winter they would weave cloth using the wool that had been shorn from their sheep. Similar rural households also emerged in France during the 16th to 18th centuries among rural households located near the centers of handicraft production. This phenomenon has been so popular in the Japanese economy that they themselves feel that in order to understand the Japanese rural economy, one must know the concept of rural households engaged in several fields of agricultural production.

The emergence of the popularity of rural households engaged in several agricultural productions is caused by the fact in the exchange of commodities, agricultural workers in rural areas are in a disadvantageous position because of

the comparatively lower value of agricultural products. Therefore, using the basis of material gains, in order for them to share in the material benefits, they must increase their means of production, in order to obtain bigger gains. Thus, as long as the fact remains that the engagement in different means of production means a great difference in one's income, then the rural households will always continue to engage in different means of production.

The difference between our industrial and agricultural incomes can be seen quite obviously. According to the statistical figures, in 1979, while the average rate of consumption of a rural worker was 131 yuan, it was 381 yuan for the city worker, a difference of nearly three times between the two figures. In addition, according to a report by Ningbo City in Zhejiang Province, the annual income of cooperatives varied as much as between 100 to 700 yuan between individual industrial and agricultural workers. Both the provision of grains and other economic benefits are based on the individual's income. For example, the wage for a grower of oranges is 7 yuan; tea, 4.8 yuan; sugarcane, 4 yuan; and grains, around 2 yuan. At the moment, we are able to work with the income of the cooperatives to make moderate adjustments among the regions, however, this is really rarely done within the country. Therefore, we will not be able to drastically raise the purchase price of agricultural products nationally within a short time.

Moreover, in comparison with other countries in the world, both the number of our rural households that are engaged in different fields of agricultural production as well as the number of areas of their engagement rate exceptionally high. Historically, our country has had an entirely different economic development when compared with the countries in Europe. There, most of the cities were the centers of both economic development and industries and mills. In our country, however, the cities were mainly political centers. During the Ming and Qing dynasties, most of the handicraft industries were based in the towns and rural villages, thus even historically, the practice of being engaged in several means of production was more popular in nature. At the same time, this practice was also related to the scale of rural production. In such countries as Canada and New Zealand, because geographical expansion of production can be done more easily, rural households do not need to resort to different means of production. In contrary circumstances, where it is relatively difficult to expand the area of agricultural production, such as in the cases of South Korea and Switzerland, then the rural workers would need to engage in different means of production. In our country, the acreage per capita is 1.5 mu and moreover the total acreage of grassland and forests when compared with the population are lower than the average standards in the rest of the world. As a result, it is only natural for our rural households to be engaged in different ways of agricultural production. Lastly, we should also pay attention to the effect of the current policies on these rural households. For example, our agricultural taxation at the moment is still based on payment by actual material goods, so most rural workers are reluctant to give up their land to pursue other specialized fields of production, which would promote the growth of multiple-field production.

Looking at the situation in the development of the specialized agricultural households, we know that they basically have progressed from the phase of engaging in various fields of agricultural production to one of specialized

agricultural production. From the point of view of production technique, regardless of the type of agricultural production, ranging from the joint management of small acreage to livestock breeding, horticulture or processing, modern scientific technology must be used in order to increase and improve products. From the point of view of production management, the personnel must also be completely trained in economics. The products must be considered as commodities with exchange value, and they must also be tested in society. The personnel must also know the pattern of commodities exchange and the principle of competition. Only thus can failure be avoided. From the point of view of production capital, there are also different phases in the accumulative process. During the changes in economic development, many rural households have been restricted by socialized services, and as a result, they have had to wait for their capital to accumulate before they were able to change to specialized production of commodities. From the point of view of production cycles, there are some products that need periods of prior development, such as in the timber industry where trees would need to have been planted first, in the culture of fishbreeding, in the fruit industry, and in some herbal medicine where the plants may first require many years of growth. The specialized households who are engaged in some of these means of production must, therefore, in the short run also manage other productive means where they can see returns in a comparatively shorter time. However, for a considerably long time, they will still need to be engaged in several fields of agricultural production.

Marx commented that, "The difference in time between production and labor is most obvious in agriculture."¹ He also pointed out that "The difference in time between production and labor (although the latter is a part of the former) has become the natural foundation in the cooperation between agriculture and rural industry."² Therefore, we must utilize our labor force fully in order to expand ways of production and develop more enterprises, more processing industries among subsidiary agricultural products as well as greater participation among rural households engaging in several fields of agriculture. We should do this not only as a matter of principle, but also because of the seasonal nature of production in agriculture.

What we have discussed above are the reasons for the practice among rural households of carrying on several fields of production. Now we will discuss two aspects in the effect of this practice on the development of the rural economy. First is the relationship in development between this practice and commodity production; whether there is a difference between this practice and self-sufficient small-scale production. The second aspect concerns whether there are conflicts between this practice and specialized production; and whether this practice be temporary or permanent in nature.

Some comrades have commented that the engagement of rural households in several fields of agricultural production is self-sufficient small-scale production, or the small but complete way, and that the practice is also a backward way

1. "Das Kapital," Vol 2 p 268.

2. Ibid, p 269.

of management. They also feel that its economic effect is necessarily less, its rate of production low and that its degree of commercialization also limited. Because of these views, we should first clarify the relationship in development between this practice and commodity production.

The nature of this practice does not rely on how many fields of production each rural household is engaged in, rather it depends on the degree of commercialization and the rate of commodity production. When the principle of "complete responsibility" reaches the level of the individual households, then each rural family changes from a production unit to an economic unit. As a result, the rural households now determine the rate of development of the commercial economy in their villages. Under these circumstances, the fact of each rural household engaged in one or several fields of production does not influence the nature of the problem under discussion.

However, as more rural households become engaged in several fields of production, a rise in their income also follows and as a result, the rate of commodity production in these fields also increases. Because the rural households who are engaged in several fields of production normally either grow large quantities of industrial crops or keep livestock, higher rates of commodity production have occurred among industrial crops and livestock breeding. According to the figures from the bureau of statistics of the Peiling area in Sichuan, in 1983, of total agricultural production, agricultural commodities accounted for 34.2 percent, with grains only 12.8 percent, while commodities derived from pig-breeding reached 56.7 percent. The percentage rate of commodities derived from livestock breeding accounted for 70 percent or more. Among agricultural commodities, such produce as hot pickled mustard tuber, oranges, smoked and shredded tobacco, tung oil and yu cabbage, account for more than 90 percent of total production. Similar situations have probably prevailed in the whole country. Therefore, as a rule production must rise with the rise in income. Thus, the engagement of rural households in several fields of production has advanced the development of rural commercialization. The difference in nature between the practice of rural households engaged in several fields of production and self-sufficient small-scale production can thus clearly be seen.

However, in the process of economic development in the rural areas, some households may progress from being formerly engaged in several fields of production to specialized production. We should also consider if such a progress will always take place, and if the two practices, namely, engagement in several fields or specialized production will always be practiced concurrently, and finally, if rural households will continue to be engaged in several fields of production after the modernization of agriculture. We should deal thoroughly with these aspects because they are very important to the Chinese modernization of agriculture.

Looking at the present situations around the world, we see that in the countries where agriculture has been modernized, many rural households continue to be engaged in several fields of production. Let us look at the case of the United States, in 1977, the percentage of farmers who were also engaged in

other fields of production accounted for 55 percent of the total number of farmers in the country. Of the income of these farmers, in 1950, income that was derived from sources other than their farms accounted for 30 percent of the total income and this percentage rose to more than 50 percent in the 1970's. In Japan, after World War II, the number of rural households engaged in several fields of production continued to rise and in 1975, they accounted for 87.5 percent. Now the general situation in the world is as follows: among the industrialized countries, one-fourth to one-half of the rural households make just more than half of their total income from sources other than agricultural production. Moreover as the economic rate grows faster, the rate of households engaged in several fields of production also rises. These facts have, therefore, shown us that the practice of households engaged concurrently in several fields of production has not influenced the growth of specialization and that both after the modernization of agriculture and specialization, households will continue to be engaged in several fields of production.

The geographical and climatic conditions in our country are extremely complex with myriad natural patterns as well as a great abundance of natural plants and flora. Therefore, we cannot follow the American practice of having thousands of li in cotton or corn belts. Instead, we may use specialization in a supplementary nature. For example, we may establish eastern Sichuan as a special area for growing oranges, for growing hot pickled mustard tuber and tung oil as well as for pig breeding. Therefore, within the area, each rural household may be engaged in one special field of production, while also carrying on with other fields. As long as the cause of socialized services develops, large amounts of commodities will also be made available to society in general. Under these circumstances, the practice of rural households engaged in several fields of agricultural production will always continue and will provide the paving stones on the path of agricultural modernization in China.

12740

CSO: 4007/152

NATIONAL

BENEFITS OF LOCAL CONTROLLED PLANTING OF HYBRID RICE

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL PRODUCTION TECHNOLOGY] in Chinese No 11, Nov 84 pp 35-36]

[Article by Dong Wozhang [5516 2259 4545], Hukou County Bureau of Agriculture, Jiangxi: "The Economic Benefits of Local Controlled Planting of Hybrid Rice"]

[Text] Hybrid rice is a major new achievement in scientific agricultural research attained by China, moving in the world's vanguard, in the 1970s. It has opened a completely new route to accelerated expansion of grain production. Hukou County, Jiangxi, was one of the earlier counties to popularize hybrid rice. Beginning in 1976, after 2 years of successful trial cultivation, we extended cultivation on a large scale. Particularly in the last couple of years, during implementation of the contractual output responsibility system, more and more farmers have been growing the hybrid improved rice. In 1976 the area of Hukou County growing Erwan hybrid improved rice extended to 46,400 mu, producing an average of 650 jin per mu. This was 62.5 percent higher than the output of conventional varieties, and there were even spots where the per-mu yield exceeded 1,000 jin. However, in the past we have always had to do controlled planting in other parts of the country. In order to resolve this problem, the scientific and technical personnel of Hukou County Agricultural Bureau have initiated controlled planting comparison trials in three regions: on Hainan Island in Guangdong and, here in Jiangxi, on Saihu Farm in Ruichang County and on Chengshan Commune in this county. The results are illustrated below:

I. Controlled Planting Success in All Three Regions, but Per-Mu Incomes, Costs and Profits Differ

For details, see Table 1.

We can see from Table 1 that controlled planting was successful in all three regions. Purity exceeded 99 percent in all cases. Per-mu income was highest at Chengshan, topping that of Hainan by 67.22 yuan, or 21.97 percent, and that of Saihu by 180.47 yuan, or 93.67 percent. Per-mu cost was highest at Hainan, exceeding that of Saihu by 86.94 yuan, or 50.3 percent, and that of Chengshan by 120.05 yuan, or 85.92 percent. Cost per hundred jin of primary produce was lowest at Chengshan, lower than that of Hainan by 104.56

yuan, or 152.66 percent, and lower than that of Saihu by 114.2 yuan, or 166.74 percent. Per-mu profit was highest at Chengshan, higher than that of Hainan by 191.26 yuan, or 415 percent, and higher than that of Saihu by 217.57 yuan, or 1098 percent. That is to say, the quantity of profit for each mu of controlled planting at Chengshan was approximately equal to that for 4 mu at Hainan and for 11 mu at Saihu. The per-mu cost/profit ratio and the cost/profit ratio for 100 jin of primary produce were both highest at Chengshan, next highest at Hainan and lowest at Saihu.

Table 1. State of Controlled Planting in Hainan, Saihu and Chengshan

Controlled Planting Region	Area (in mu)	Average Yield Per Mu (in jin)	Degree of Purity (percent)	Income Per Mu (in yuan)	Costs Per Mu (in yuan)	Cost Per 100 Jin (in yuan)	Profit Per Mu (in yuan)	Profit Rate Per Mu (percent)	Profit Per 100 Jin (in yuan)	Profit Rate Per 100 Jin (percent)
Hainan	773	140	99.8	305.9	259.77	173.05	46.12	17.8	32.95	19
Saihu	775	85	99.2	192.65	172.83	182.69	19.81	11.5	23.31	12.2
Chengshan	71.8	172.6	99.8	373.12	139.72	68.49	237.38	169.9	137.53	200.2

II. Expenses for Labor and Materials and Their Percentages of Total Costs Differed for the Three Regions

For details, see Table 2.

Table 2. Per-Mu Labor and Materials Costs and Their Proportions of Total Costs

Controlled Planting Region	Costs Per Mu (in yuan)	Components of Total Costs		Cost of Materials (in yuan)	Percentage of Total Costs
		Labor Costs (in yuan)	Percentage of Total Costs		
Hainan	259.77	26.9	10.36	232.87	89.64
Saihu	172.83	37.16	21.50	135.67	78.58
Chengshan	139.72	47.99	34.35	91.73	65.65

We can see from Table 2 that cost compositions at the three controlled planting areas had distinctly different characteristics. Labor costs were on the low side at Hainan, representing only 10 percent of total costs, whereas the cost of materials was on the high side, representing nearly 90 percent of total costs. At Saihu the labor cost was slightly higher than at Hainan, measuring 20 percent of total costs, and the cost of materials was lower than at Hainan, measuring 80 percent of total costs. Labor costs represented one-third, and the cost of materials, two-thirds, of total costs at Chengshan. This situation illustrates that there is a great potential for lowering costs of Chengshan by improving labor quality or reducing labor costs.

III. Per-Mu Material Costs and Compositions Differ Between the Three Regions

For details, see Table 3.

We can see from Table 3 that the per-mu cost of materials was highest at Hainan. It was 97.2 yuan or 71.64 percent higher than at Saihu and 141.14 yuan or 153.86 percent higher than at Chengshan. Within the per-mu costs of materials, the ratios of direct and indirect costs also differed: some were large and some were small. In Hainan the ratio was 78.24 percent : 21.76 percent; in Saihu it was 81.84 percent : 18.16 percent; and in Chengshan it was 65.67 percent : 34.33 percent. Due to regional differences, there were also wide disparities within direct and indirect costs.

The differences in travelling expenses are as follows: for Hainan travelling expenses total 23.05 yuan per mu, or 45.49 percent of indirect costs, which was 21.76 yuan or nearly 17-fold more than in Saihu and 22.35 yuan or nearly 32-fold more than in Chengshan.

IV. Through Cost Analysis It Generally Appears That Hybrid Rice Controlled Planting Areas Should Be Moved into This County from Other Areas and Other Counties

1. Considered from the perspective of yield per unit area in controlled planting, that of Chengshan in our own county was highest. It was 32.6 jin higher than on Hainan Island, outside the county, and it was 87.6 jin, or more than 100 percent, higher than on Saihu Farm. Furthermore, there is also great potential for increased yields. For example, at Chengshan Commune, on the 6 mu of controlled planting fields cultivated by Yang Dachang (?) [2799 1129 1782(?)] of a Datang Team-6 contract household, 1,429 jin of first-generation hybrid seed, an average of 238 jin per mu, was harvested. This was 32.1 percent higher than the per-mu average for the commune as a whole.

2. Considered from the perspective of the economic results of controlled planting, these were greatest in our own Chengshan. The total cost per jin of hybrid superior seed was 0.68 in Chengshan, 1.73 yuan in Hainan and 1.83 in Saihu. Calculated on the basis of the need for 160,000 jin of controlled planting for the total county planned cultivation of 80,000 mu, we would have to spend 168,000 yuan more to do controlled planting in Hainan, and 184,000 yuan more in Saihu, than to do it here in Hukou County. The rate of profit on each 100 jin of seed was also highest--reaching 200.8 percent--in Chengshan, here in this county. By contrast the profit rate was only 19 percent in Hainan and 12.8 percent in Saihu.

3. Considered from the perspective of the technical forces for controlled planting, after many years of training we have a technical contingent of more than 400 people. This was an average of 27 people for each commune: entirely sufficient for accomplishing the task.

Table 3. Per-Mu Material Costs and Composition for the Three Regions (Unit: yuan)

Controlled Planting Region	Sub-Total	Direct Costs							Indirect Costs					
		Sub-Total	Composition of Direct Costs							Sub-Total	Composition of Indirect Costs			
			Land Use	Seed	Fertilizer	Pesticide	Planting	Transport	Material Expenses		Administrative Costs	Living Allowance	Labor Insurance and Welfare Funds	Other Expenses
Hainan	232.97	122.20	114.88	11	29.84	7.49	2.99	6	50.67	23.25	1.26	20.12	2.62	3.62
Taihu	135.67	111.02	42	11	25	14.87	4	3	24.64	1.29	1.29	15.61	1.29	5.16
Chongshan	91.73	57.24	4.39	1052	31	5.19		1	31.49	0.70	0.99	1.39	27.85	0.56

12510

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TRANSPROVINCIAL AFFAIRS

GRAIN MIX, PLANTING OF QUALITY RICE DISCUSSED

Quality Rice Popularized

Beijing ZHONGGUO NONGMIN BAO in Chinese 23 Sep 84 p 1

[Article: "Guangdong, Jiangsu and Hunan Actively Expand Quality Rice"]

[Text] Quality rice has aroused the attention of Guangdong, Jiangsu and Hunan provinces in recent years and has spread rather quickly.

The amount of quality rice in Guangdong Province in 1983 constituted 10 percent of the paddy rice total. The area planted in Guangzhou City in 1983 amounted to 320,000 mu, with a total output of 150 million jin. Jiangsu has set up quality rice production bases; the spread of some aromatic, short-grained and glutinous varieties which have special qualities and high transparency has been quite rapid. Many counties have planted thousands of mu of such varieties as yaxue nuo [7700 5877 4754], xianggengwan [7449 4734 2519] and zijin nuo [4793 6855 4754].

Some provinces have also done a large amount of work in breeding quality paddy rice varieties. Guangdong Province has cultivated, screened and selected more than 70 varieties. The "HA strain" developed through selection by the Hunan Academy of Agricultural Sciences has a protein content of 12.5 percent, is abundantly nutritious, aromatic and palatable, sticky without being glutinous, sets a lot of kernels [chumilu gao 0427 4717 3764 7559] can be planted in both the early and late seasons, is resistant to plant diseases and insect pests and is only slightly damaged by pesticides. This year, planting of this variety has been extended to 5,100 mu in Lingxian County.

These varieties are of fine quality but output is rather low (100-200 jin per mu lower than common varieties). Some provinces have adopted a policy of setting high prices for fine quality to foster their spread.

Commentary on Quality Rice

Beijing ZHONGGUO NONGMIN BAO in Chinese 23 Sep 84 p 1

[Commentary: "A Far-sighted Measure"]

[Text] Readjusting the paddy rice variety mix and actively spreading quality rice in such provinces as Guangdong is a far-sighted measure and quite significant with respect to continuing to satisfy the demand of domestic consumers for quality cereal grains and increasing foreign trade exports.

China has abundant farm crop variety resources and each locality has some quality cereal grain varieties. For example, such famous paddy rice varieties as "ruan mi [6516 4717]," "xiang he [7449 4421]," "si huang [4828 7806]," and "jixue nuo [7741 5877 4754]" are smooth, cream-colored and tasty, the domestic population likes to eat them, and they enjoy a high reputation on the international market. These varieties, however, were usually not given much attention in the past under the conditions of severe cereal grain shortages because their output is relatively low. In addition, since the principle of higher prices for fine quality was not carried out very well, the peasants felt these varieties were not worthwhile so the planted acreage dropped lower and lower.

Since the Third Plenary Session of the 11th Party Central Committee, a much better situation in agricultural production has emerged; there have been significant increases in cereal grain output year after year. Most regions have solved the problem of providing food and clothing, many areas have relative surpluses of cereal grain and the issue of "grain-selling difficulties" has appeared. This situation shows that if we now make some appropriate readjustments to the grain varieties, spreading fine-quality grains will not only become a possibility, but will be a way to alleviate the "grain selling difficulties" as well. In the long term, we must gradually separate the people's grain rations from feed grain for stock raising; we must select the best quality, highly nutritious varieties for grain rations, while as far as possible select the high-yielding varieties for feed grain. Therefore, it is essential that we concentrate on raising high-quality paddy rice in the south and raising hard wheat in the north.

Since the output of quality cereal grain crops is relatively low in general, we must promote them; as in provinces such as Guangdong, we must implement the policy of high prices for fine quality to make the peasants feel it is beneficial to grow high-quality varieties. Agricultural research units, at the same time as popularizing the quality varieties extant today, must devote major efforts to cultivating new varieties which maintain fine quality as well as produce higher yields; this will contribute to gradually raising the quality of grain in China.

12513

CSO: 4007/44

ANHUI

ANIMAL HUSBANDRY, AGRICULTURAL STRUCTURAL REFORM PROMOTED

Hefei ANHUI RIBAO in Chinese 18 Dec 84 p 22

[Article by Meng Fulin [1322 1381 2651]: "Accelerate Development of Animal Husbandry, Promote Structural Reform of Agriculture"]

[Text] "The Resolution of the CPC Central Committee on Reforms of Economic Structures" passed by the 3d Plenum of the 12th Party Central Committee clearly points out that the rural reforms are still developing and the rural economy is turning to specialized enterprises, the production of consumer goods and the modernization of operations. The focal point of the reforms is the realignment of the production structures to develop fully the production of consumer goods in the rural areas. On the premise of stabilizing grain production, to make an effort to increase the percentage of animal husbandry in the whole rural production structure is an important strategic turn in promoting overall agricultural production and coordinating its smooth development. We must resolutely overcome the outdated single-production unit concept and habits of the small peasants, tightly grasp the priority of developing animal husbandry and take practical and effective measures to realize the great strategic change.

I

In 1983, Comrade Deng Xiaoping pointed out: "There are plenty of articles on agriculture, but we have not touched upon the main topic. There are two direct measures. One is animal husbandry. The other is fruit orchard operations." This year, Comrade Hu Yaobang pointed out on several occasions that the surplus grain's "major outlet is feed. We must get a tight hold of the animal husbandry to develop the production of cattle, sheep, hog, poultry and fish." When Comrade Zhao Ziyang made an inspection tour in Anhui at the end of August and in early September he gave an important speech on accelerating the development of animal husbandry. After studying and trying to appreciate the instructions of the leading party comrades, we feel strongly that in coordinating the rural production structures of our province and our animal husbandry practices, to accelerate the development of animal husbandry is an urgent task not brooking any delay.

Since the 3d Plenum of the 11th Party Central Committee, following the rapid growth of the rural economy, Anhui Province's animal husbandry has also shown

some development. But agriculture's internal structure is still falling behind. For many years the aggregate production value of animal husbandry has been hovering about 2 billion yuan a year. Last year it decreased 3.2 percent from the number in 1982. The percentage of animal husbandry production of all agricultural production has been very small. It has been only 12.95 percent in 1983, a decrease of 0.72 percent from 1982. The number of hogs produced every year has been about the same for many years. In 1983 the average supply per capita in Anhui was 20.7 catties, eggs 6.13 catties and milk products 0.49 catties. All these figures are below the national average and those of the neighboring provinces. Therefore, to change quickly the backward situation of the animal husbandry industry is an urgent strategic task faced by the leadership on all levels and the great masses of the people of Anhui Province.

At present, the significance of developing animal husbandry appears more important. First, it is urgently necessary to quadruple agricultural production. It is simply not possible to achieve the goal of quadrupling the aggregate agricultural production value of the end of this century by relying solely on planting production; it must rely on the large-scale development of various production lines, which includes animal husbandry, and rely on an increase in comprehensive economic efficiency. For example, Chaohu Prefecture proposed that to realize the quadrupling of agricultural production value it must do very well by one-third in every sector of the whole agricultural economy: one-third for crop planting production, one-third for animal husbandry and one-third for village and town industry. Chaohu Prefecture projected that to raise 100 million domestic birds, plus the processing businesses in feed, food and down to help production values increase, the total production value must reach 1 billion yuan, which will surpass the agricultural production value of the whole prefecture in 1983. If the whole province can do it in the same way, a doubling and quadrupling of production can be achieved ahead of schedule. Second, it is urgently necessary to find outlets for surplus grain. In the last few years, bumper harvest after bumper harvest of grain has overflowed the granaries in many localities, and the largest outlet for surplus grain is to process it into feed and, in turn, to convert it into meat, eggs, milk and animal products. There are 10 million farm households and a 50 million farm population in Anhui Province. If on the average each person raises 1 chicken, there will be 50 million chickens; if every egg-producing chicken consumes 70 catties of feed, 50 million of them will need 3.5 billion catties of feed. If every household raises 2 pigs, there will be 20 million pigs in the province; if each pig consumes 300 catties of feed, together they will need 6 billion catties. If every other household raises 1 cow, there will be 5 million head of cattle in the province. If each cow eats 100 catties of grain, they will need 50 million catties of grain. Only these three types of livestock will need 10 billion catties of grain. Against this number together with grain for the population of the province and with grain for industry, the current grain production is not too much, and it needs further development. Third, it is necessary to improve the diet of the public. With the increase of income of the people in the cities as well as in the rural areas, the public's demand for meat, egg and milk products will be growing day by day. The traditional concepts of "staple food" and "non-staple-food" will reverse

their importance gradually, and at present in quite a few areas the supply of meat, eggs and milk cannot meet the demand. Besides, the food-processing industry, light industries and foreign trade enterprises will demand more animal products as the days pass by. Therefore, to accelerate the development of animal husbandry is not a temporary expediency but a long-term task in accordance with the objective demand for the development of the national economy.

II

The favorable conditions for developing Anhui Province's animal husbandry production are many, and the potential is immense.

First of all, various policies concerning assistance to the development of animal husbandry are being loosened up and are more complete and they have broadened the road for animal husbandry development. The Party Central Committee and the State Council have issued several instructions on the issue of the transformation of grain and the development of animal husbandry. The provincial party committee and the provincial people's government have devoted a great deal of attention to the development of animal husbandry, and in the past 2 years they have promulgated 28 regulatory policy documents, of which 14 are directly related to reforms of the rural production structures and to assistance to animal husbandry development. Second, Anhui Province has the natural conditions suitable for development of animal and poultry production. The province has a moderate climate, sufficient rainfall and a varied topography. There are 20 million mu of grass mountains and grass slopes. Large areas of mountainous grassland are good for grazing a large number of cattle, goats and sheep. Shallow-water grassland is good for raising water buffalo and waterfowl. Paddy rice areas with good water systems can farm meat ducks and egg-producing ducks. Shallowing fish-farming lakes with abundant aquatic products can raise aquatic minks. Oil-crop stubble land can raise pigs. All land with grass can graze rabbits, cattle, sheep and other herbivores. Third, there are abundant feed resources. Increases of grain production for several years in a row have created a relative "surplus" which is an extremely good condition for the large-scale development of animal husbandry. According to statistics, the resources of fine feed, grain, chaff and bran, dregs of oil cakes, etc amount to 7 billion catties. The resources of feed straw are also very abundant, and straw and stalks from crops which can be used as feed amount to more than 20 billion catties a year. Animal protein which can be collected for animal feed amount to 40 million catties a year. In addition, there is a large quantity of waste materials from industrial production which also can be used as feed. Fourth, the vast rural area has a tradition of poultry-raising experience and has traditionally superior breeds through long-term selective breeding. For a long time, through a close working experience between agriculture and animal husbandry, a large number of peasants, especially the large number of newly emerged agricultural-and-animal-husbandry special households in recent years, and through species conservation and breed selection, have accumulated precious experience in farming animal and poultry. Anhui Province now has a group of traditional superior breeds such as the Dingyuan pig, Wei (dyke) pig, Southern Anhui mixed-color pig, Chaohu flax duck, Xuanlangguangtai chicken,

Shouhuo chicken, Tianchang triple-brown chicken, etc. All these explain sufficiently why the potential for developing Anhui's animal husbandry is enormous. We have all the conditions which with full confidence can facilitate strategic agricultural transformation and in turn realize the new upward and forward surge of Anhui's rural economy.

III

Upon what can we depend to develop the animal husbandry industry vigorously and to correct quickly the imbalance between the development of crop planting and of animal husbandry? We depend primarily on policies and use the right policies to mobilize the enthusiasm of thousands of households of peasants.

For many years, our policy directories emphasized the crops of grain, cotton and oil seed; in the areas of animal husbandry our policy has not been completely broadened even to this day. At present, following the essence of the documents issued by the State Council and in view of our province's actual situation, we must first vigorously develop specialized animal husbandry households. Those policies which are unfavorable to the development of specialized animal husbandry households must be adjusted in time and a great effort must be made to facilitate the transition of the animal husbandry industry toward specialization, a consumer-goods orientation and modernization. To the specialized animal husbandry households who are to raise animals and poultry, operate breed distribution centers, run hatcheries and set up feed-processing factories, favorable tax treatment and loan assistance must be granted. Rear-area services, such as materials, good breeds, epidemic prevention, disease treatment and supply of feed, must be run well and supported by all sectors concerned. The proper rights and benefits of the specialized animal husbandry households must be clearly defined. The live-hog allotted purchase policy must be insisted on. Hog sale consignment must be thoroughly carried out. Households who consign more fat hogs or lean meat hogs should be rewarded with incentive sales of feed, chemical fertilizers and higher purchase prices. After the completion of the live-hog allotted purchases, state-operated, collectively operated and privately operated enterprises should be allowed to purchase live hogs, poultry, beef cattle, meat sheep, rabbit fur, bird down, goat pelts, fresh eggs and animal products for processing and sales activities. All types of husbandry regions shall be devined according to the local conditions and gradually various specialized, regionalized and society-oriented combined animal husbandry production bases will be built up. According to the party Central Committee's overall planning to adjust reasonably step by step, the prices of animals and poultry, the price differences between regions, price differences between qualities and price differences between seasons must gradually be implemented. Prices must be in accordance with quality, and superior-quality products shall command high prices. In such areas, certain localities have done quite well. For instance, Anqing City took out a part of the subsidiary given to the food department by the state to assist suburban farm households to raise pigs. The food department signed contracts with the hog-raising households. To all hog-raising households which raise "contract hogs" the food department is obliged to supply feed, give epidemic

prevention fees and incentive pays and provide interest-free loans. For the period from January to August, the number of "contract hogs" in the suburbs of Anqing is about half of the total allotted live-hog purchases of all of last year. These kinds of assistance measures powerfully hasten the rapid development of the animal husbandry industry and improve the meat supply in the cities and in the rural areas as well.

IV

To speed up the pace of the development of animal husbandry we must also adopt new technology and the necessary material conditions. In view of the conditions of Anhui Province, the current key point is to run the feed industry successfully, and make scientific feed.

Modern mixed feed is a revolution over the traditional natural feed used over the last hundreds and thousands of years and is the necessary condition for the animal husbandry industry to transform from small-scale production to collective production and consumer-product oriented production. The foundation of the feed industry of Anhui is poor, its start is late and it must hasten to catch up. To develop the feed industry, the state, the people and individuals must all mobilize themselves; the large, medium-size and small units must all work toward the same goal on the principle of taking the medium-size and small operation as the mainstay. The state only operates the more technologically advanced, poorer-quantity, single-investment large factories; it is not suitable for operating chemical additive factories scattered in various areas and some of the large feed-processing factories. The general feed-mixing and blending factories should be set up in the villages to give freedom to the specialized households, the villages and the town enterprises in order to run them by taking in materials locally, processing locally, supplying locally and lowering the cost to give convenience to the users. We must speed up the research on feed-mixing formulas, propel feed production technology forward, establish feed standards and regulations at the earliest date and gradually build up a standardized feed quality and supervisory system. The provincial government plans to appropriate a portion of the low-price grain to supply various localities for feed processing for the purpose of feed incentive sales and to give grain loans for animal breeding to assist the specialized households. At the same time, we must aggressively bring in good grass varieties and improve the grass mountains and hills. We must complete the survey of grass mountain resources and lay out development and utilization plans to develop domesticaled herbivorous animals. For the present usable grass land, we should earnestly carry out the contract-to-household policy to affirm the long-term users' right.

To produce scientific feed successfully is a valid guarantee to accelerate the development of animal husbandry. Once the masses' enthusiasm in animal husbandry production is inspired, the next important point is to focus attention on economic results, avoid blindly pursuing quantity in breeding and overlooking the slaughter rate and rate of commercialization, and increase the production value of each animal. To achieve such a goal, the key is to establish the three systems of cultivating good breeds and varieties, growing

and producing good grasses and feeds and implementing disease prevention. Government agencies at all levels should exert full effort to promote good breeds and varieties, systematically to promote advantageous hybrid utilization to establish improved variety and breeding farms and improved variety commercial animal and poultry farms and to speed up the application of artificial insemination and the frozen sperm breedings of pigs and cattle. We also must promote full scale the disease-prevention guarantee contract system which guarantees prevention in case of no disease-and-guarantee treatment in case disease occur, and guarantees against the death of animal and the loss of animals; for this, the guarantee fees and veterinarians' salaries must be established. Furthermore, we must promote live-hog insurance. Agencies at all levels must hold training courses on various scientific breeding technologies, disease prevention and epidemic control knowledge and skills.

Now the enthusiasm of the large numbers of cadres in the rural areas to develop the animal husbandry industry's consumer goods is very high. Leading cadres at all levels must take advantage of the situation to implement sound measures to move forward this important strategic transition in the agricultural sector. Special personnel must be assigned to take charge of providing intensive and careful guidance. All the departments and trades concerned must be organized together to solve the problems in expenditures, materials, processing, purchases and transportation. Services in the whole system of providing information, feed supply, epidemic prevention and marketing must be earnestly provided. With all the people's efforts, we must strive for a grand development of the animal husbandry industry to build a new rural industrial structure with rich vigor and vitality to march forward on the road of constructing a socialist agriculture with distant Chinese characteristics.

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ANHUI

EXPANSION IN RURAL AREA TREE FARMS DISCUSSED

Hefei ANHUI RIBAO in Chinese 23 Sep 84 p 3

[Article: "Tree Farms Spread All Over Anhui Rural Areas; 5.74 Million-plus Mu of Managed Mountain Farms, 4.38 Million-plus Mu of Cultivated Forests Will Become Dependable Base for Supplying Commodity Timber"]

[Text] Tree farms are found all over the Anhui countryside, extending over mountain areas, hills and plains throughout the province, and have become the backbone of managed forestry in the rural areas. The number of rural tree farms for the province as a whole has expanded from 567 in 1964 to 7,790 at present, commanding a specialized labor force of 46,500 people, 5.742 million mu of managed mountain farms and 4.382 million mu of cultivated forests. An average of 74,000 mu has been afforested to tree farms per year over the last 10 years in Xuancheng Prefecture, comprising more than 60 percent of the prefecture's cultivated forest area. Last winter and this spring 725 rural tree farms throughout the province expanded farm contracting to 278,000 mu of barren hills and afforested 189,000 mu. In Jingde County, in addition to the original 61 tree farms contracting 33,000 mu of barren hills, 45 newly established cooperative tree farms contracted 42,000 mu of barren hills and afforested a total of 35,000 mu, surpassing the 6 percent countywide afforestation quota.

Through more than 10 years of arduous struggle, rural tree farms have cultivated for the state a large forest reserve which has become a dependable base to supply commodity timber. The tree farms planted nearly 4 million mu of timber forests throughout the province, which contain more than 800,000 cubic meters of timber and comprise more than half of available provincewide reserves; when these forests are full grown, they will encompass a total of 28.8 million cubic meters of timber. In Anqing Prefecture, mountain farms managed by rural tree farms comprise only 10 percent of mountain farm area for the prefecture as a whole, but the timber in the planted forests amounts to 36 percent of reserves. In Huizhou Prefecture there is a base of more than 300,000 mu of cultivated China fir. In the near term, 25,000 cubic meters of timber will be cut annually through thinning. After 10 years, when we begin final felling, the annual timber output could reach 100,000 cubic meters, which is equivalent to more than half of the present total prefecturewide timber quota.

12513

CSO: 4007/42

ANHUI

LU'AN PREFECTURE LIVESTOCK INDUSTRY DISCUSSED

Hefei ANHUI RIBAO in Chinese 19 Sep 84 p 3

[Article: "Lu'an Prefecture Actively Develops Livestock Industry; Utilizes Abundance of Grain, Increases Meat, Poultry, Egg Output"]

[Text] This year Lu'an Prefecture has actively supported and developed stock-raising specialized households and brought a fine look to livestock production throughout the area. According to statistics, livehogs on hand the first half of this year for the prefecture as a whole increased 6.1 percent over the corresponding period last year, fat hog purchases were up 39.2 percent, large livestock and poultry on hand increased 6.2 percent and 13.16 percent respectively, and livestock products came into great demand on the market.

There has been new development in the Lu'an Prefecture livestock industry in the last few years, but it makes up only 14.2 percent of agriculture as a whole, while the planting industry accounts for 76.2 percent. Per unit area output of grain has gone up continually and laid a foundation for the livestock industry. In order to guide the peasants to actively develop this industry, the prefecture leadership decided to emphasize both the livestock and grain industries as important production projects, and adopted the following measures as well:

--Employ the method of income accounting and increase the peasants' understanding of the importance of developing the livestock industry. Take duck raising for example: one duck requires 60 jin of feed over the winter and spring and can produce 15 jin of eggs. Selling the eggs would bring in 3 yuan-plus more than selling the rice the duck fed on. If a peasant raises 20 ducks, he would take in more than 60 yuan more than if he sold the 1,200 jin of paddy. If the eggs were processed, income could be additionally increased more than 30 percent. This would not only convert grain to highly nutritious foodstuff on the spot, but having the meat, eggs and poultry would also spur development of the food processing industry and service trades, help improve supplies to the cities and make the people's lives easier.

--Reform the poultry and livestock epidemic prevention system and help the stock-raising specialized households in the work of preventing epidemics. Rural veterinary stations must gradually be converted to poultry and livestock disease prevention and cure technical service firms which sign technical prophylaxis and treatment contracts with the peasant households, implement the "3 guarantees and 1 compensation" economic responsibility system (namely, guaranteed castration of livestock, guaranteed epidemic prevention and cure, guaranteed supply of medicines and compensation for livestock death) and eliminate troubles at home for peasant households raising livestock and poultry.

--Expand feed-growing acreage appropriately, develop the feed processing industry and manage feed supplies well.

--Appropriately increase investment in the livestock industry. The Agricultural Bank branches must support stock-raising specialized households, in the area of funding, to develop production.

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ANHUI

SHARP INCREASE IN SPECIALIZED HOUSEHOLDS DISCUSSED

Hefei ANHUI RIBAO in Chinese 22 Sep 84 p 1

[Article: "Anhui Rural Specialized Households Spring Up Like Mushrooms; Currently 1.8 Million-plus Specialized Households of Various Types Throughout the Province Constituting Approximately 20 Percent of All Peasant Households, Have Important Role in Spurring Rural Commodity Production and Promoting the 'Two Transformations'"]

[Text] After the Third Plenary Session of the 11th CPC Central Committee and in the wake of implementing and continually perfecting the joint production contracting system, specialized households have sprung up like mushrooms in the rural areas of the province and given vitality to the process of bringing the "two transformations" to the countryside as quickly as possible.

Specialized households began to appear in the province's rural areas in 1981, expanded to 950,000 households in 1982 and by the end of last year there were more than 1.4 million of them, or 15 percent of the total number of peasant households in the province. They are engaged in more than 70 types of projects and have expanded from the realm of production to the circulation, services, transport and cultural spheres as well. After implementation of this year's Central Document No 1 there was a further rush of expansion so to date there are 1.8 million-plus specialized households of various types in the province, which amounts to approximately 20 percent of the total number of peasant households. At the same time, various types of economic associations and specialized villages have appeared one after another and some have begun to take shape. According to year-beginning statistics this year, there were 96,900-plus joint economic bodies in the rural areas throughout the province and more than 2,100 specialized villages.

As soon as specialized households appeared in the rural areas of the province, they manifested a powerful vitality and tremendous appeal. They took the lead in devoting untiring efforts toward becoming wealthy, took the lead in developing commodity production, took the lead in applying and popularizing science and technology, and continually advanced toward quantity and quality in production. For example, in Huoqiu County, the specialized household of Qu Guangying [1448 0342 2503] was

the first to combine households and set up a tractor station; in Xiuning County, the specialized household of Cao Yinxiang [2580 5255 4382] set up a modern family chicken-raising farm; in Jingde County, Chen Jusheng [7115 5468 3932] contracted a large area of barren hills and afforested them. At the same time, a large number of peasants got into the circulation sphere and strongly advanced commodity production. In Fengyang county, last year Chen Xinghan's [7115 5281 3352] transport and sale specialized household had a net income of more than 32,000 yuan and handed over to the state a tax revenue of 20,000 yuan. These amply illustrate that specialized households have become representative of the new-style peasant of the 1980's.

The reality of the last few years is that specialized households have been the most dynamic and liveliest factors in commodity production in the countryside. Their appearance and development is having a decisive effect on enlivening the rural commodity economy. The commodity rate for specialized households will be several-fold to 10-plus to several tens-fold higher than for ordinary households. Based on an analysis of a 1983 survey of the distribution of benefits in the rural areas of Chaohu Prefecture, an average of 42.3 percent of products in the countryside were offered for sale and of this the commodity rate for agricultural products was only 35 percent; the commodity rate for specialized households, however, was generally above 80 percent, with the highest being 90 percent. For the most part, the specialized households are able people in the rural areas with experience and schooling, an understanding of technology, management capabilities and a definite influence in the locality. Their experience in devoting efforts to becoming wealthy and their role in setting an example is strongly attracting tens of thousands of peasants. Cao Yinxiang's chicken-raising specialized household applied up-to-date science, technology and management methods and set up a modernized chicken-raising farm which is beginning to take shape. Many peasants go to the trouble of travelling a long distance to call on him for instruction. He also set up in succession 10-plus training classes on chicken-raising technology. Many of the peasants who learned from him returned home and quickly set up specialized households. Under the spurring of the specialized households, the mass of peasants have broadened their minds, vigorously studied science and technology and tried hard to become wealthy through diligence. In many places there appeared the gratifying situation where "lighting a small lamp illuminated a large area."

In the wake of the development of specialized households in the rural areas in the last two years, a large group of peasants entered market towns and opened shops, set up factories and engaged in transport, participated in various production and management activities, brought life to small market towns and made their economies more vigorous than they had ever been. By the end of last year peasants who could take care of their own grain rations and who engaged in various types of production and management in the small market towns numbered more than 366,000. This

year to date another 200,000-plus peasants entered the market towns to engage in industry and trade. Besides this, there also appeared some newly prospering specialized markets which are now developing into new-type centers for the flow of goods and materials between the cities and countryside.

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ANHUI

SHEEP'S WOOL PRODUCTION, MARKETING DIFFICULTIES EXAMINED

Hefei ANHUI RIBAO in Chinese 19 Sep 84 p 3

[Article: "Earnestly Resolve Sheep's Wool Production, Marketing Contradictions"]

[Text] Sheep's wool production and marketing contradictions in Anhui Province have been acute in recent years. On the one hand, the peasants seek to sell, industrial sector refuses to buy and the commercial sector is overstocked. On the other hand, finer fleece from within the province is insufficient to supply the needs of the province's wool-spinning industry, so every year a portion of supplies must be shipped in from abroad or from other provinces. How did this situation come about? As we see it, the main reason is that most of the wool produced in the province comes from wrinkled sheep and is short, thin, heterogeneous, of poor quality, does not wash very clean and is not suitable for producing piece-dyed, richly-colored, quality-spun knit goods, so is not welcomed by the industrial sector. Therefore, we need to pay attention to resolving the following issues:

--Vigorously and effectively select against inferior sheep, and introduce and develop semi-fine-wooled and superior-quality fine-wooled sheep adapted to the province's climate and environment. We must train a specialized contingent, impart the technical skill for scientific sheep raising and raise the quality of the fleece as quickly as possible in the key sheep's-wool-producing regions.

--Reform the operations system, reduce the number of links, cut back on costs and stimulate circulation. The provincial purchasing departments could transfer the wool directly to the mills and lower the supply price as much as possible; they could also bring production and marketing into direct contact by bringing the peasants into the market, have them learn about a commodity economy and pay attention to raising product quality.

--Improve pricing methods, implement clean-wool pricing where superior wool commands superior prices and inferior wool brings low prices, and bring fully into play the role of the price lever in guiding production. In purchasing, we must carefully examine the wool, be rigorously concerned

with fine quality, purchase, package, store and transport the wool on the basis of fleece quality and grade, and guard against mixing.

--Implement preferential policies for industries which use this province's wool in order to make the enterprises more willing to utilize in-province wool-spinning resources, and promote the cause of sheep raising in the province.

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ANHUI

FINE STATE OF RURAL AREA ENTERPRISES DISCUSSED

Hefei ANHUI RIBAO in Chinese 20 Sep 84 p 1

[Article: "Rural Area Enterprises Develop Rapidly in Anhui; Rural Enterprise Output Value 2.58 Billion Yuan as of August, 143 Percent Increase Over Corresponding Period Last Year"]

[Text] Since July, the momentum of continuous, rapid development of Anhui's rural area enterprises has been maintained. According to statistics, output value for July and August amounted to 1.234 billion yuan; as of August, gross output value of the rural enterprises was 2.58 billion yuan for the province as a whole, or 86 percent of the annual plan. This was a 143 percent increase over the corresponding period last year and brought in 60 million yuan in tax revenues. Such a rapid pace of development is unprecedented.

This year to date, the broad mass of peasants in the province have been inspired by the spirit of Central Documents No 1 and No 4 and their enthusiasm to develop commodity production has been the highest ever. In the first half of the year, the extent of growth in output value of the rural enterprises throughout the province was among the highest in the nation. Since July, the province's rural enterprises have speeded up the pace of reform. The provincial departments concerned held a symposium for the 20-plus enterprise people responsible for the successes achieved in rural enterprise reform to exchange experiences, then spread their experiences throughout the province and promoted the development of rural enterprises. There has been a sharp increase in newly-formed rural enterprises and they have quickly shaped production capacity. Rural enterprises newly set up this year number to 6,176. Anqing Prefecture had the highest rural enterprise output value of all prefectures in the province last year. So far this year, each county of this prefecture has given play to its own strengths and stressed development of its own peculiar backbone industries; main objectives have been made clear and there has been rapid, simultaneous development of production by the collective, combined household and individual alike. Zongyang County brought into play its labor superiority and organized 90-plus construction teams, which utilize more than 18,000 people. They have gotten into construction in 10-plus provinces and municipalities throughout the nation, and revenues from this alone amounts to 10 million yuan, or 45 percent of rural enterprise gross output value for the county as a whole.

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ANHUI

BRIEFS

AQUATIC PRODUCT OUTPUT DOUBLED--Since the Third Plenary Session of the 11th CPC Central Committee, there is a new look to fishery production from large- and mid-sized lakes and reservoirs. The various state-run and three-level jointly operated fish farms throughout the province have generally increased output and incomes; many lakes and reservoirs lying in waste or semi-waste have become fishery production bases. Added to the fish raised by peasant households, total output of aquatic products last year amounted to more than 121,000 tons, which was double that of 1978. In order to raise fishery production levels, increase fish breeds and fresh fish output, in the last few years the government-operated fish farms carried out a general reorganization, set up and strengthened a production contracting responsibility system and popularized advanced fishery technology. Many fish farms have gradually developed into service centers for the peasants raising fish, urban and rural commodity fish bases and enterprises with high economic return. Within 5 years the average amount of fry and fingerlings bred per year by the 92 government-operated fish farms throughout the province numbered 2 billion-plus, with an annual growth rate of 28 percent, and including a 4-fold increase in production of much-needed standard fish breeds. The province as a whole supplied approximately 40 million tons of commodity fish to Beijing, Shanghai, the 8 cities under the jurisdiction of this provincial government and some prefecture and county cities and towns. [Text]
[Hefei ANHUI RIBAO in Chinese 23 Sep 84 p 3] 12513

CSO: 4007/42

FUJIAN

FUJIAN AGRICULTURAL, RECLAMATION ENTERPRISE REFORM

Beijing ZHONGGUO NONGKEN [STATE FARM AND LAND RECLAMATION] in Chinese
No 7, 24 Jul 84 pp 20-21

[Article by Fang Hungming [2455 7703 6900], chief of Agriculture and Reclamation Bureau of Fujian Province: "Using the Spirit of Reform To Develop a New Aspect in Our Province's Agriculture and Reclamation"]

[Text] Aside from the suburbs of the cities and counties and the coastal plains, most of our 133 agricultural and reclamation enterprises are found in the mountainous and semimountainous regions, growing crops such as grain, teas, sugarcane, fruit, rubber, sisal hemp, etc. The farm scale is comparatively small, and growing conditions are comparatively poor. For a long time, deficits were incurred. The largest deficit was in 1976, reaching 10 million yuan. Since the Third Plenum of the 11th CPC Central Committee and in 1979, the profits of the farms in the province was 560,000 yuan; it was the first time the problem of deficit was shaken off. In 1983, the gross industrial and agricultural output value was 127 million yuan. The increase was 75.4 percent compared with that in 1978. All these achievements were the result of the farms' implementation of the system of taking responsibility for one's own finances and the economic system of job responsibility of various forms. To a certain degree, the defects of the "big communal pot" and equalitarianism were overcome, mobilizing the enthusiasm of enterprises and staff and workers in production and management, and based on the favorable natural resources, the "management of the mountain and sea" was chanted with all-out efforts; subtropical cash crops were developed, and comprehensive management in agricultural, industry and commerce was implemented. Although the economy of agriculture and reclamation in our province has developed greatly, the pace is not fast enough, and the material foundation remains comparatively poor. At present, we have to put Document No 1 conscientiously into effect, to speed up the pace of development with an innovational spirit, to work hard to attain 200 million yuan in gross industrial and agricultural output value and 14 million yuan in profits by 1990 and to wipe out the province's agricultural and reclamation enterprises that incur losses as promptly as possible.

First, in order to accomplish this goal, it is necessary to take vigorous action in the running of household farms and to stimulate the economy of agriculture and reclamation. The running of household farms is a major

reform of the state-farm economic system and is an important policy to bring a thorough change from the state of "rigidity and poverty" resulting from the state farms. We have to implement conscientiously. In the latter half of this year, 70 to 80 percent of the staff and workers have to run household farms. The leaders of the agricultural and reclamation system have to lead their groups to become closely involved with the investigative studies carried out on farms so as to solve the problems. In the light of running household farms, the reform of the system of farm management refers to the change from administrative guidance to a household-farm economy and from eating from the big communal pot to the planned-output (joint profits) contracting system, mobilizing the enthusiasm and creativeness of the cadres to the full. At the same time, the present natural resources will be fully exploited and various developing projects in production will be run, thus tapping new kinds of production for household farms run by staff and workers and resolving the issue of labor surplus outlets.

Second, it is necessary to elaborate favorable conditions and to handle well the construction of commodity bases. As our province is situated in the subtropics under the eight mountains-water-divided farms situations and based upon the "management of the mountains and sea," cash crops that have high economic values are greatly developed. Additionally, it is necessary to make full use of the special policies and measures implemented in our province and the privileged terms imposed in Xiamen Special Zone and Fuzhou Open Zone, where, through all kinds of channels, advanced varieties, technology, professional and scientific management and administrative methods are being vigorously introduced from abroad. Various developing production projects are proceeding via joint ventures or loans in order to reform the obsolete technological facilities of enterprises and to enhance the quality of enterprises. At present, the development of commodity production should employ the law of value, should comprehend market information and thus readjust the structure of products in time. It is necessary to stabilize cultivated areas of grain, sugarcane, tea, rubber and sisal hemp. Emphasis should be laid on single-crop production and quality. Intensive farming should be stressed in order to raise yields. Forces should be focused on the development of the growing of flowers and fruit, breeding industry, food-processing industry, the construction material industry and forestry. In particular, efforts have to be made in the development of special local products, brandname products and innovational products. All prefectures have to revise the commodity production development plans so that the commodity bases with their own characteristics can be established within 3 to 5 years according to their goal. It is planned that before 1990, a commodity base with the cultivation of tea, flowers and fruits and aquatic products--each of which takes up 5,000 mu of land--and with an annual output of 200,000 poultry will be established directly by the province. In addition, processing industries for beverages, preserved fruit, fruit, etc. will be developed, adding another 20 million yuan to output value. The funds required for developing the commodity bases could be obtained from various sources, but would mainly rely on fund raising or loans borrowed from the staff and workers' household farms. The money could be also borrowed from abroad, and the sum could be paid off through the method of compensatory trade.

Third, it is necessary to run the joint enterprises of agriculture, industry and commerce efficiently and to open up all circulation channels. Last year, there was an overstocking of tea in our province, thus indicating that there is no way out without stressing circulation. In order to stress circulation channels, first, the commodities should be more competitive. The crux lies in how to produce commodities that are good but cheap and that the specifications of the assortment of goods can satisfy the needs of the market. In order to attain such requirements, commodity information obtained via various channels should be understood so as to determine the direction for developing the commodities. Additionally, the state of management characterized by decentralized processing, unguaranteed quality and unorganized salesmen should be altered. Centralized processing, unified marketing, methods of profit refund and guarantee of product quality and credit should be adopted. Based on market demand, the commercial network outlets should be expanded in a positive way, and an integration of the market with actual situations and various forms of economic integration among prefectures, provinces and industries should be developed; the limits of management and the items of joint management should be widened, and an economic integration of various forms could be gradually formed, opening up marketing channels. In the light of sales, professional salesmen should be employed, and a method of integrating staff and worker households with marketing services should be launched. A joint-profit contracting system and floating wages should be implemented so that a close integration among the responsibilities, authorities and profits of salesmen could be achieved, mobilizing their initiative. At the same time, it is necessary to stress staff transfers and training in trade.

[In sum] there are a total of 123 farms in the province (of them, 2 being provincial farms). The total population is 146,000, with 73,000 staff and workers. The total area engaged in agricultural and forestry is 875,000 mu divided as follows:

The total sown area of crops is 246,000 mu. (With the area under the cultivation of grain being 197,000 mu.) Areas under the cultivation of tea, fruit and rubber amounts to 102,000 mu, 36,000 mu and 60,000 mu, respectively. The area under the cultivation of sisal hemp and spices is 16,000 mu. The area engaged in forestry is 449,000 mu. In fishery, the water breeding area is 16,000 mu. There are 9,000 cattle; 18,000 hogs and 18,000 poultry.

Table 1. The Economic Results of Fujian's Agriculture and Reclamation Enterprises

Year	Number of Enterprises	Gross Industrial and Agricultural Output Value (million Yuan)	Profits (million Yuan)	Labor Productivity (Yuan)	Annual Average Wage Scale of Staff and Workers (Yuan)
1978	122	73.36	-3.99	1,174	326
1979	126	83.12	0.56	1,186	393
1980	128	103.59	4.09	1,433	441
1981	126	116.35	7.16	1,586	448
1982	128	122.57	7.06	1,722	454
1983	133	127.21	5.89	1,866	476

Note: 1. The gross industrial and agricultural value were converted into the constant price of 1980.

2. The annual average wage scale of the staff and workers from 1981 to 1983 did not include bonuses.

HEBEI

EXPANDING LIVESTOCK FARMING IN HEBEI

Beijing NONGMIN RIBAO in Chinese 4 Feb 85 p 3

[Article: "An Excellent Trend of Vigorous Development of Animal Husbandry Has Emerged in Hebei Province; The Animal Husbandry Bureau Has Become a Much Visited Place; Prices for the Offspring of Fine Breeds Expected To Rise"]

[Text] In the present adjustment of the property structure taking place in Hebei there has appeared a new trend of developing hog raising and other livestock farming in a big way. According to reporters in the prefectures of Baoding, Shijiazhuang, Handan, and surveys conducted in many individual counties of Handan, a situation like this with livestock farming being developed in a big way has not been seen for a long time. Specifically it has been manifested in the following three aspects: (1) Many peasant households that in the past did not value hog raising and livestock production, have now one after another found livestock science and technology personnel, and requested products and materials for improving hogs or scientific data for the raising of livestock. This has caused the animal husbandry bureaus of Xincheng, Rongcheng, and Anguo counties to be crowded every day. Some county bureau chiefs have humorously said to reporters "In past years during this time the animal husbandry bureaus were desolate places, now they are so crowded the doors are busting".

(2) Many large households that raise hogs and livestock are now expanding the scope of their livestock raising. In Fengjia Village located in Qinghe Township of Zanxing County there is a family that specialized in producing beancurd and raising hogs. Last year, by utilizing the soya-bean residue, it raised 27 hogs and sold 21 as high quality hogs and earned 10,000 yuan. Presently, it has started construction of a large hog farm capable of holding 200 hogs which is planned to be completed before spring. The Xindingjia Village of Handan County is an area of households concentrating on grain and cotton, last year it raised somewhat more than 1,000 chickens, this year it already has 17 families planning to raise over 500 each. Some families have gone to various places in Nei Monggol to purchase beef cattle in preparation to convert from planting grain to households specializing in the breeding of beef cattle.

(3) The Price level of piglets is the gauge to use in determining whether or not hog raising should be developed. At the same time last year the price of piglets was far lower than the price of pork, but because more and more people now want to raise hogs, the piglet price far exceeds that of pork. Many peasants especially like raising lean meat hogs, once they hear a place has lean meat hogs for sale, no matter if its far away they still want to go purchase them. This trend of developing livestock farming in a big way has appeared in the countryside of Heibei Province. This shows that since the peasants have too much grain on hand, the conditions now exist for changing to livestock farming. The CPC Central Committee's policy for relaxing price controls on agricultural products is designed to inspire the peasants in transforming the long existing backward state of livestock farming. Developing livestock farming in a big way will mean that meat, poultry, eggs, and milk will gradually become more plentiful, while on the other hand it will also certainly go a step further in promoting the development of grain and other crops.

12704

CSO: 4007/236

HEILONGJIANG

HEILONGJIANG GOVERNOR STRESSES ANIMAL HUSBANDRY DEVELOPMENT

Governor's Speech

Harbin HEILONGJIANG RIBAO in Chinese 11 Dec 84 p 1

[Article: "Provincial Governor Chen Lei [7115 7191] Stresses the Reform and Development of Animal Husbandry During a Speech at the Provincial Animal Husbandry Working Conference"]

[Text] Provincial Governor Chen Lei, in his speech at the provincial animal husbandry working conference, summed up that only by stressing reform could animal husbandry become active and vigorous again.

Governor Chen Lei, indicated that animal husbandry plays a significant role in the rural economy; however, at present, its proportion in the rural economy of our province remains small. Our province has stressed animal husbandry as the work focus in the rural areas. In readjusting the rural industrial structure, comrades of all prefectures have to emphasize animal husbandry and have to make up for its poor development so that the total output value of our province's animal husbandry could attain 20 percent of the gross agricultural output value by 1990 and 30 percent by the end of this century. At present, besides paying close attention to the production of dairy cattle, the focus should be laid on the production of hogs and poultry. From a long-term point of view, we have to utilize our province's favorable condition--the widespread grassland--to the utmost, and based on man's changing demand for food, the rearing of herbivorous livestock should be greatly developed and an overall development in the rearing of cattle, sheep, hogs, poultry and rabbits should be carried out. The feedstuff industry and the processing of livestock products should be accordingly stimulated. In light of the farming structure, it is necessary to readjust the former binary structure of growing food crops and cash crops into a triple structure of growing food crops, cash crops and feed crops, thus expanding the growing area of feed crops and gradually getting farming to serve animal husbandry.

Concerning the system of animal husbandry, Chen Lei pointed out that with the emergence of many specialized households, family pastureland and economic associations, the structure of animal husbandry at all levels should separate administration, facilities and enterprises. Administration should

be simplified, facilities should be strengthened, and enterprises should be developed. The administrative style should be transformed into a style of operation and services.

Chen Lei also indicated that the management structure of animal husbandry should be run smoothly, step by step. At present, our province's livestock production and the business of livestock products, such as procurement, processing, marketing, etc., are under the control of various and respective departments, e.g., the department of animal husbandry, commerce, supply and marketing, food grain, foreign trade, light industry, finance, tax, agriculture, pricing, etc. Very often, the departments are not cooperative. With policies imposed by various departments, the departments fight for their own benefits. As a result, production is out of line with marketing, hindering production development. An animal husbandry leading group has been formed, yet the problem of finding an office has not been resolved. At this time, all the prefectures have to implement on the basis of their actual situations, have to liberate their thinking, have to investigate and explore conscientiously, have to overcome hindrances and have to reform boldly so as to tap new ways that are suitable for the development of animal husbandry in light of the management system. Chen Lei requested the strengthening of cooperation among departments, stressing that henceforth any policies that involved animal husbandry and the adoption of any major measures that concern this field have to be coordinated with the department in charge of animal husbandry. He wishes that all the related departments would proceed from an overall situation and would make concerted efforts to work hard for the reform and to offer supportive help to the development of animal husbandry.

The conference that lasted for 6 days ends today.

Commentary

Harbin HEILONGJIANG RIBAO in Chinese 11 Dec 84 p 1

[Commentary: "Promote Animal Husbandry"]

[Text] In the latest provincial animal husbandry working conference, it was pointed out that in agricultural production, stress has to be laid on the development of animal husbandry. Additionally, the present tasks in production and long-term planning have been drawn, and other measures have been adopted. All these have a strategic significance in the development of our province's rural economy.

The necessity and immediate need for strengthening the development of animal husbandry are obvious. The realization of doubling agricultural production can be achieved by drawing great support from animal husbandry. The implementation of the transformation of food grain and the promotion of a positive agricultural production cycle will rely on animal husbandry. The change in food structure with a decreasing intake of grain but an increasing intake of meat will mainly depend on the development of animal husbandry. Therefore, animal husbandry has its significance in the national economy, especially

in agricultural economy. There is an increasing demand for woollen products and leather goods for clothing. The quantity of livestock raised should be increased, and their species should be varied. Regarding all these requirements, our province's animal husbandry has lagged far behind. In brief, proportionally, it is not important, and its development pace is not rapid. The quantity of hogs and sheep remains stagnant; in some areas, their quantity drops continually. Recently, some places are temporarily forced to ration the supply of pork by issuing ration tickets, thus underlining the fact that if we do not decide to stress animal husbandry, all links of the national economy will be affected. The masses will have complaints, and it will be our fault.

The major item in developing animal husbandry requires leaders at all levels to focus the work on animal husbandry in guiding agricultural production. Of course, it does not imply that food grain can be ignored. The present problem is that in some places, some comrades who are working in the rural areas have not thoroughly freed themselves from the old concept that the engagement in agriculture is to stress food grain. In their mind, there is only food grain, thus they regard farming as more important than animal husbandry. Without a radical transformation that rests upon the guiding ideology, animal husbandry in their areas can never be widely developed.

In order to develop animal husbandry, it is necessary to readjust policy. At present, the unprofitable rearing of hogs and sheep can be related to the irrational price ratios between grain and livestock. After the implementation of the contracting system, the peasants can make their own decisions, they will no longer be engaged in trade that incurs losses. If the rearing of hogs and sheep pays as well as the rearing of chickens and cattle, the masses are willing to rear hogs and sheep. At present, the related departments are studying how to settle the issue of pricing livestock products. Naturally, this requires basic measures, but overall planning is needed as well. All prefectures need not wait; measures can be adopted on the basis of the actual situation to encourage the peasants to raise more livestock, e.g., to increase the land area for growing feed crops, to assign grassland to the peasants or to let them run the grassland via contracting, to offer material and financial aid and support, etc. In brief, a further liberation in thinking and relaxation in policy can ensure a steady development in the production of animal husbandry.

In the development of animal husbandry, many general problems remain, e.g., insufficient funds, the lack of materials and goods, backward technology and continual disease problems in some places. Without cooperation among all departments and without their concerted efforts, the problems cannot be settled easily. It is expected that all industries and businesses will pay close attention to animal husbandry and will tap new ways for the development of animal husbandry by putting forth their strength and by being more cooperative.

Our province is exceptionally rich in natural resources. We have had a good harvest in agriculture this year, and the mass of peasants and herdsmen are experienced in raising livestock and poultry. As long as we determine to develop and advance, a new phase in the development of animal husbandry will certainly be attained in our province.

12726

CSO: 4007/180

HEILONGJIANG

PEASANT INCOME, INVESTMENT UP

Harbin HEILONGJIANG RIBAO in Chinese 20 Sep 84 p 1

[Article: "Survey of 2,120 Peasant Households Shows Income and Investment Up in Heilongjiang for First Half of Year"]

[Text] According to a survey of cash reserves, revenue and expenditures of 2,120 peasant households in 22 cities and counties, there was a rather large increase in the ready money and income of the peasants in the first half of this year compared to the corresponding period last year. Investment in peasant family ventures and expenditure daily consumption changed substantially. There was also a significant increase in cash on hand and bank deposits. The purchasing power potential of peasant families is on the rise.

Large Increase in Cash Income; Income Component Shows Changes

Steady reform of the economic system enabled some peasants to directly enter the production sphere in business, construction and the service industry, which increased their income. Peasant per capita income of the peasants in the first half of the year amounted to 159.89 yuan, which was an increase of 24.13 yuan over the corresponding period last year, or a 7.8 percent rise. Of this, cash income from the sale of farm produce and sideline products rose 14.2 percent over the corresponding period last year; cash income from construction, transport and work related to production rose 75 percent; cash income from business, the food and beverage industry and service trades rose 25 percent; other non-loan income rose 8.5 percent; cash income from savings and loans rose 29.3 percent; cash income from the sale of other products dropped 47.9 percent. The growth rate of cash income from construction, transport, production-related work, food and beverages, services and business was higher than for any other.

Peasant Sales of Farm Produce and Sideline Products Surpass Level of Corresponding Period the Previous Year

This year the peasants in the province had a surplus of grain on hand; they continually mediated channels of circulation and reduced the links in the circulation chain, so many agricultural products directly entered

the market. As a result, the amount of farm produce and sideline products sold by the peasants in the first half of the year increased tremendously and there was a significant rise in the commodity rate. Per capita grain sales increased more than 36 jin over the corresponding period last year; per capita sales of sugar increased 20-plus jin; per capita sales of vegetables increased 11-plus jin; per household sales of pork increased 21-plus jin.

Outlay for Household Production Costs Greatly Increased

This year the peasants put more funds into the production sphere. In the first half of the year per capita cash expenditures were 174 yuan, which was an increase of 36-plus yuan over the corresponding period last year, or a 26.2 percent rise. Of these, expenditures for family ventures rose the fastest, increasing 1.7-fold. Because of the rise in production investment, outlay for living expenses increased 0.63 percent per capita.

Peasant Ready Cash, Bank Deposits Increase; Latent Purchasing Power Rises

At the end of the first half of the year, peasant per capita ready cash was 73.47 yuan, which was an increase of 14-plus yuan over the corresponding period last year, or a 23.7 percent rise. Remaining per capita bank deposits increased 7.95 yuan over the corresponding period the previous year, or a 22.8 percent rise. An increase of this magnitude has been rare in the past several years.

According to the survey, many peasant households now want to buy medium- and high-grade goods such as television sets and tape recorders; they also want to purchase construction materials and means of production so they can build new houses and produce more. It came to light in some regions that there were insufficient commodities for current peasant needs, so there were certain restrictions on the buying power of the consumers.

12513

CSO: 4007/41

HEILONGJIANG

TOBACCO INDUSTRY TURNS LOSS TO PROFIT

Beijing JINGJI RIBAO in Chinese 12 Sep 84 p 2

[Article: "Heilongjiang Tobacco Industry Reverses Losses; Strengthens Management, Vitalizes Operations Simultaneously"]

[Text] The Heilongjiang Province tobacco operations management departments implemented the State Council's "Tobacco Monopoly Regulations," and simultaneously strengthened tobacco's centralized and unified management, took active steps, vitalized cigarette operations and obtained remarkable economic results.

In the past the Heilongjiang tobacco industry operations were dispersed and managed by the light industry, commerce and supply and marketing departments, which raised operating expenses and increased the commodity reserves; overall losses for the industry last year amounted to more than 6 million yuan. Beginning with April of last year, Heilongjiang established a tobacco monopoly operations organization encompassing 67 cities and counties throughout the province and the forestry, state farm and railroad departments, implemented unified management of production, supply and sales, and organized production and marketing strictly according to plan. They shut down 13 small tobacco plants which were not included in the plan, suppressed more than 200 illegally operated wholesale cigarette outlets and granted "tobacco monopoly licences" to 88,000-plus cigarette distribution outlets throughout the province. They established a contingent of more than 770 monopoly inspectors with the higher and lower authorities, cracked down firmly on profiteering behavior which violated the "Tobacco Monopoly Regulations" and harmed consumers, such as raising prices without authorization, selling bogus tobacco or counterfeiting trademarks, and thus checked those aspects which messed up channels, markets, prices, and production, and enabled the tobacco industry to experience a healthy course of development.

In order to enliven the cigarette market, at the same time as organizing the industrial departments to actively produce goods which suited market needs and regulating the varieties between provinces, the provincial tobacco operations departments employed an extended wholesale network, lowered the wholesale minimum, launched mobile services and actively facilitated channels of circulation. They adopted a policy of freeing the operations of the retail links, broke through the bounds of administrative divisions and permitted the

state-run, collective and individual operations network outlets within the same economic region to select tobacco wholesale departments to replenish their stocks. At the same time, they devoted major efforts to developing the cigarette distribution network and individual commission households, family stores and street vendors in the urban and rural areas. The cigarette distribution network outlets have spread to more than 90,000 households throughout the province to date, of which more than 60 percent are licenced individual households. In the first half of this year, total sales of cigarettes for the whole province was more than 202,000 cases, which amounted to 63.1 percent of the annual plan and was an increase of 47.9 percent over the same period last; profits were more than 3.6 million yuan, which was 72.4 percent of the annual plan; 60.61 million yuan in taxes were turned over to the state, which was a 63.8 percent increase over the same period last year. At one stroke they reversed the passive aspect of the imbalance in production and sales and the overall losses suffered by the industry.

12513

CSO: 4007/46

HEILONGJIANG

OVERALL WATER CONSERVANCY REFORM, RESULTS DISCUSSED

Harbin HEILONGJIANG RIBAO in Chinese 22 Sep 84 p 1

[Article: "Overall Reform of Water Conservancy Construction in Heilongjiang Brings Remarkable Results; Attending to Project Efficacy Opens Up New Path to Reform"]

[Text] This year Heilongjiang Province implemented overall reform of water conservancy construction, promoted various water conservancy undertakings and reaped remarkable economic results.

Implementing a contract system which linked subsidies to results and changed the previous situation of merely spending money and ignoring benefits was an important reform in the investment fashion. Subsidy outlay was determined by project scope and the contract signed by the investment sector and construction unit stipulated the amount of the subsidy and the benefits to be obtained, as well as related awards and penalty clauses, which were honored at the end of the year according to the contractual agreement. This approach was generally implemented this year for expanded planting of paddy rice; paddy fields were increased 450,000 mu, which was 50 percent greater than the average increase of the previous 4 years. This rapid rate of increase is rare in the history of paddy rice development in the province. When tap water projects in areas of endemic disease employed this approach, the rapid pace of construction was also unprecedented.

A reform measure generally adopted in water conservancy construction projects was to substitute contracting for government monopoly in construction. This year all water conservancy construction projects between the fields in the various localities were contracted to households and contracts for building projects were granted to construction units. This reform speeded up construction schedules. Already, 80 percent of the 98 key conveyance systems in irrigation and drain flooded districts scheduled throughout the province this year have been completed.

Changing gratuitous investment to granting compensation was a reform in investment administration for small-scale farmland water conservancy construction projects and a portion of small river basins. This reform

spurred the masses to value investment, brought about substantial return from a small input and speeded up fund turnover. This investment amounted to more than 10 million yuan throughout the province this year and by the end of the year we could regain approximately one-fourth of it. After recovery, the greater part of it could continue to support the peasants in carrying out water conservancy projects.

Major elements of reform in the system of base-level water conservancy management units were to carry out contracting by different industries, actively develop economic diversification and bring about the situation where projects support other projects. This reform raised the administrative self-sufficiency of the various units. Project administration and overall operations were separated for the Huashu River reservoir in Ning'an County and resulted in profits from all electricity generating, irrigation and economic diversification projects and at one fell swoop reversed the past administrative confusion, long-term losses and total dependence on state subsidies for outlays.

12513

CSO: 4007/41

HEILONGJIANG

SUPERIOR SOYBEAN VARIETY POPULARIZED

Harbin HEILONGJIANG RIBAO in Chinese 22 Sep 84 p 1

[Article: "Eighteen Years of Popularizing Heihe No 3 Soybeans Brings Notable Increases in Output and Income: Accumulative Total 50 Million Mu Planted, Increased Output 6 Billion Jin; Experts Determine It Has Reached Advanced Domestic Levels"]

[Text] Planted acreage is increasingly expanding for the fine, early-maturing, high- and stable-yielding soybean variety Heihe [7815 3109] No 3, developed by assistant researcher Zhang Yongku [1728 3057 1655] of the provincial Academy of Agricultural Sciences' Heihe Agro-science Institute and popularized both within and outside the province for 18 years. At a recent appraisal meeting conducted for this variety by the provincial Agriculture, Animal Husbandry and Fishery Office, experts and professors from within and from outside the province deliberated and concluded that this soybean variety exhibits broad adaptability, strong resistance, fine commodity performance and notable economic benefits, and has reached advanced domestic levels.

Heihe No 3 is the chief variety of soybeans raised in the frigid areas in the northern and eastern parts of the province. At the same time, it is also one of the major varieties within the province for which late seeding ensures stable yields and makes for better preparation against natural disasters. From the 1966 popularization and application to last year, total planted acreage amounted to 56,195,000 mu, which was the largest acreage planted to fine-variety soybeans in the province. This variety brought about a total increase in soybean output in the various localities of more than 1.612 billion jin; economic return also ranked first among the various varieties of soybeans. In the last few years expanded acreages in the provinces in Jilin, Liaoning, Hebei, Xinjiang, Ningxia and Gansu amounted to 1.7 million mu.

Heihe No 3 soybeans are obtained by employing the lineage method of separating, selecting and breeding. This is an early-maturing variety of soybeans; the growth period is approximately 110 days, which means it matures 15 days earlier than Hei-nong [7815 6593] No 26, another well-known fine variety of soybeans in the province. It can endure low

temperatures in its seedling stage and shows rapid and thick growth; the stems are strong and the plants do not go down so it is suitable for mechanized tilling and close planting. The quality is the best, the protein and fat content conform to foreign trade requirements, and it is one of the state's chief export varieties.

12513

CSO: 4007/41

HEILONGJIANG

SPECIALIZED HOUSEHOLD IN COMMODITY GRAIN PRODUCTION

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL PRODUCTION TECHNOLOGY] in Chinese No 7, Jul 84 pp 12-15

[Article by Gong Zheng [7895 2973], Agriculture and Industry Department, Suihua Prefecture Party Committee, Heilongjiang: "On the Development of Commodity Grain Specialized Households--A Survey of 10,000-Jin Grain Specialized Households in Suihua Prefecture, Heilongjiang Province"]

[Text] According to statistics, in 1981 there were 21,181 commodity grain specialized households in Suihua Prefecture, 9,790 of which sold in excess of 10,000 jin of grain. In addition to our conducting the survey, compiling statistics and carrying out a house-by-house analysis of the group of households whose grain sales exceeded 10,000 jin, the prefectural party committee and administrative offices also selected, from among these, some households conspicuous by the large amount of grain they sold and held informal discussions concerning them. I will now discuss and offer my tentative views on the issue of commodity grain specialized households with reference to the survey data and the informal discussions.

A. Changes Noticeable for Commodity Grain Specialized Households and Economic Benefits High

In 1983, 88.9 percent of the commune production brigades in Suihua Prefecture implemented the joint production contract responsibility system, of which joint household production contracting comprised 74 percent. Although production in this year was a victim of serious natural disasters, there were profound changes in agricultural production throughout the prefecture. See Table 1 for the major changes.

Table 1: 1983 Prefecturewide Changes In Production

<u>Item</u>	<u>1983</u>	<u>Percentage Increase/Decrease Compared to 1982</u>
Grain, legume per mu output	327 jin	37
Grain, legume total output	5.86 billion jin	46

Commodity grain	2.1 billion jin	116
Per capita grain		
ration	646 billion jin	47.8
Gross income	1.83 billion yuan	35
Agricultural tax	55.01 million yuan	78
Peasant earnings	1.3 billion yuan	67
Per capita shared		
income	288 yuan	60
Contracted Production		
Expenses	395 million yuan	-13.3
Grain cost per jin	.037 yuan	-56
Return per yuan of		
production costs	4.60 yuan	91

According to the survey the changes were noticeable and the economic benefits high for the 9,790 commodity grain specialized households which sold more than 10,000 jin of grain (referred to below as 10,000-jin grain households). This is mainly manifested in the following:

1. The scale of production and investments was greater for grain households than for ordinary peasant households. See Table 2.

Table 2. Comparison of Scale and Investment

<u>Item</u>	<u>Amount of Contract Land Per Household</u>	<u>Amount of Contract Land Per Person</u>	<u>Production Costs Per Mu</u>	<u>Value of Fixed Assets Per Mu</u>
10,000-jin Grain Households	37.4 mu	6.8 mu	12.78 yuan	24.30 yuan
Ordinary Households	27.3 mu	5.5 mu	11.70 yuan	10.27 yuan
Grain Households Compared to Ordinary Households	+10.1 mu	+1.3 mu	+ 1.08 yuan	+14.03 yuan

2. Production and contributions were higher than for ordinary households. See Table 3.

It can be seen from Table 3 that the average grain and legume output per mu for the 10,000-jin grain households was 48.6 percent higher than for ordinary households, grain output per household was nearly 2-fold greater, grain output per capita 1.6-fold greater, grain sold per mu 1.8-fold greater, and grain sold per capita 3.7-fold greater. The commodity rate was 29.2 percent higher.

Table 3. Comparison of Production and Contributions Unit: jin

Item	Output Per Mu	Grain Output Per Household	Grain Output Per Capita	Grain Output Per Labor Unit	Grain Sold Per Mu	Grain Sold Per Household	Grain Sold Per Capita	Grain Sold Per Labor Unit	Grain Commodity Rate (1)
10,000 jin Grain Households	486	18,600	3,389	9,603	326	11,860	2,150	6,104	64.7
Ordinary Households	327	6,409	1,271	6,154	116	2,274	451	2,184	35.5
Grain Households Compared to Ordinary Households	+159	+12,251	+2,118	+3,450	+210	+9,586	+1,699	+3,920	
Percentage Increase	46.6	191.1	166.6	56.1	181	421	376	179	29.2

Table 4. Comparison of Income and Earnings Unit: yuan

Item	Gross Income Per Mu	Net Income Per Mu	Gross Income Per Household	Net Income Per Household	Gross Income Per Capita	Net Income Per Capita	Shared Income Per Capita	Return Per Yuan of Investment
10,000-jin Grain Households	93.74	75.33	3,514	2,824	638	513	439	5.10
Ordinary Households	74.31	58.24	1,998	1,566	404	316	288	4.60
Grain Households Compared to Ordinary Households	19.43	17.09	1,516	758	234	197	151	0.50
Percentage Increase	26.1	29.3	75.8	48.4	57.9	62.3	52.4	10.80

3. Economic benefits were better than for ordinary households. See Table 4.

We discern from Table 4 that the results index per yuan of production costs for the 10,000-jin grain households was 10.8 percent higher than for ordinary households.

4. They are gradually becoming agricultural S&T demonstration households. Some commodity grain specialized households enthusiastically sought out S&T so as to apply advanced agrotechniques in production on their own contract land, and became local high-yield demonstration-point experimental households. Take, for instance, Shen Wanjiang of the Yongqing Production Brigade, Huansheng Commune, Qing'an County; many times in 1983 the county, commune and production brigade held on-the-spot meetings on his contract land and when peasants in the vicinity encounter difficult production problems they seek him out for help in solving them. When Shen Wanjiang, himself, encounters problems, he asks the county and commune S&T personnel about them. He has become a trustworthy farm technician for the peasants in the surrounding area.

B. Types of Commodity Grain Specialized Households and the Direction of Development

There should be differences in the rate, scale and direction of development of commodity grain specialized households in different areas with different production levels. The somewhat unanimous view at present is that three types of grain specialized households are currently being developed. First is development of an intensive-farming type of specialized household; second is development of a local, progressively centralized type where conditions warrant (which includes taking a portion of reserve land, voluntarily transferred peasant household land and incapable managed land, and concentrating it in the hands of farming experts); third is expansion of a development type where land resources are plentiful. On which type should our strength, focus and attention be placed? Based on an analysis of the survey figures it would definitely be difficult to develop local centralized grain specialized households in the near term because: 1) With respect to the survey groups, although there are differences in how much contract land is involved when we take the household as the unit, in terms of the amount of contract land per labor unit and per capita they are roughly equivalent, and with the exception of a specific group (80 mu-plus) of the development type, we are fundamentally dealing with contract land in terms of per capita and per labor unit averages. 2) Production results are best for the households with less than 40 mu of contract land. Whether analyzed in terms of the county surveys (Table 5) or the survey of all counties throughout the prefecture (Table 6), for households with less than 40 mu of contract land, average output per mu of grain and legumes was highest, sales per mu of grain and legumes were greatest and the grain commodity rate was among the highest. As acreage per household increased, output and grain sales per mu were successively reduced. 3) Households with less than 40 mu of contract land ranked first in per capita and per mu gross income and net income.

Table 5. Scale and Income of 10,000-Jin Grain Households (1) Units: mu, jin, yuan

Item	Number Surveyed	Popula- tion	Contract Land		Grain, Legume Output		Grain Legume Sales		Income		Net Income		Return Per Yuan of Investments and Produc- tion Costs			
			Labor Force	Wheat, Legume Acreage	Unit Output	Total Output	Total Sales	Commodity Rate	Gross Income	Grain, Legume Income	Per Capita	Per Mu				
20-40 mu	5	28	10	154	145	510	73,984	54,267	73.3	16,754	10,453	373	72	13,808	493	5.88
41-60 mu	5	44	18	249	237	410	97,404	61,776	63.4	15,650	9,750	222	39	13,692	311	10.38
61-70 mu	5	48	21	330	286	339	96,819	66,315	68.4	23,259	11,870	247	41	18,823	392	5.93
71 mu- plus	5	46	21	367	338	358	121,098	83,713	69.1	23,866	15,358	334	45	20,880	454	8.24

Note: This data is from a survey of 17 households of Lunhe Commune and 3 households of Lianfa Commune, Hailun County.

Table 6. Scale and Income of 10,000-Jin Grain Households (2) Units: mu, jin, yuan

Item	Number Surveyed	Popula- tion	Labor Force	Contract Land		Grain, Legume Output		Grain, Legume Sales		Income			
				Area	Wheat, Legume Acreage	Unit Output	Total Output	Total Sales	Commodity Rate	Gross Income	Grain, Legume Income	Income Per Capita Mu	
40 mu or less	3	12	5.5	82.5	74.5	953	71,050	49,600	70	15,303	7,203	600	185
41-60 mu	8	58	28.5	407.7	372	688	256,020	177,863	69.5	57,651	34,601	596	98
61-80 mu	5	47	15	347	312	591	184,500	137,700	75.1	44,000	21,500	457	69
81 mu-plus	4	50	17	811	629	471	297,948	224,566	75.3	74,866	49,166	983	78

Note: This survey data is from an experience exchange meeting of commodity grain specialized households in Suihua Prefecture.

Therefore, we feel that to develop commodity grain specialty products in areas where there are food grains other than wheat and rice, and where land resources are somewhat scarce, we should concentrate our efforts on carrying on intensive farming of existing contract land. We see from the tables that households with a lot of contract land have higher absolute amounts of gross grain output and grain sales, but have lower land-utilization rates. A partial view shows that after land was centralized, some commodity grain specialized households were able to increase grain sales from 1- to several-fold. However, in terms of the situation as a whole, the productive forces were not increased significantly. Of course, we cannot ignore the contributions of commodity grain specialized households which contract inferior land cultivated by no one or carry on developmental production, and they should be vigorously developed where conditions warrant. But where unwarranted, and where specialized production is still at the elementary stage, we cannot engage in an artificial concentration of land. Because the production potential of the land currently contracted by the peasants is still great, the possibility remains for significant increases in the level of intensive cultivation for each household. Simply seeking to expand the scale of the commodity grain specialized households alone is not the best direction of attack in the near term.

C. Commodity Grain Specialized Households Should Stress Development of Other Dimensions

Commodity grain specialized households, as the name suggests, should make grain production their specialty. But we cannot demand that they engage in grain production exclusively. Some people feel that since commodity grain specialized households simultaneously engage in other business as well, they should not be called commodity grain specialized households. We think such an understanding is not in accord with the current subjective reality in the rural areas. Surveys of representative households show that there is a specific difficulty in raising economic benefits quickly for commodity grain specialized households, given their present scale and the fact that not much land has been transferred in the countryside. The problem is obvious from the figures listed in Table 7. See Table 7 [following page].

Table 7 tells us that for the commodity grain specialized households to obtain relatively substantial economic earnings, they need to try hard to develop a third dimension on the existing plane. This means that in addition to primarily engaging in grain production, they should also plant a given amount of cash crops and develop a program of economic diversification. The tables show that all commodity grain specialized households which stressed development in this third dimension not only sold more grain and made greater contributions, their economic benefits were higher as well. Therefore, no matter whether the grain specialized households have a larger or smaller amount of contract land, all should pay attention to developing on a three-dimensional scale. This is evident from Table 7, Group 3, because: 1) In developing commodity grain specialized households, we not only want them to sell more grain, but also to have a greater income. Of course the economic income of the commodity grain specialized households will be higher than for ordinary households, but since we want to speed up the pace of becoming

Table 7. Comparison of Two-Dimensional and Three-Dimensional Scale Units: mu, jin, yuan

Group Type	Number Surveyed	Popula- tion	Labor Force	Contract Land		Grain, Legume			Income			Net Income		Return Per Yuan of Investment	
				Area	Wheat, Legume Acreage	Output Unit	Total Output	Sales	Commodity Rate	Gross Income	Grain, Legume Income	Income Per Capita	Per Amount		Capita
1	6	47	18	331	325	373	121,239	84,386	69.5	19,414	16,263	346	50	7.50	
2	14	118	50	768	680	394	268,066	181,685	67.8	60,115	31,168	264	49	6.17	
3	11	77	33	595	428	768	328,918	237,629	72.2	49,835	38,085	494	89		
4	9	90	33	1,053	954	503	480,600	348,100	72.3	141,985	74,385	826	78		

Note: Groups 1 and 2 were surveyed in Lunhe Commune and Lianfa Commune, Hailun County; groups 3 and 4 were from a survey of representative households in all counties prefecturewide.

well-off, we cannot neglect cash income. 2) Because of current limits on grain price factors, only by having cash crops constitute a given proportion on contract land will income increases for commodity grain specialized households be given a boost. An analysis of representative surveys shows that under the current situation, having approximately 15 percent of the contract land in cash crops is about right. 3) Developing the economy on a three-dimensional scale facilitates full utilization of the labor and natural resources of each peasant household, preserves a fine production cycle, increases the capacity to withstand natural disasters, and brings about interdependence, mutual advancement and balanced increases in output and income.

Our overall position is: 1. Where output is high, contributions great and economic benefits good for commodity grain specialized households in areas with crops other than wheat and rice, there is development potential, and these households are the pillars for establishing commodity grain bases. 2. As for the current direction of development of commodity grain specialized households, we should concentrate our efforts in intensive farming, obtain results through increasing unit output and pay attention to the scale and benefits of the commodity grain households, but we cannot engage in artificial concentration of land. 3. Commodity grain specialized households cannot quicken the pace of becoming well-off unless they develop a three-dimensional economic scale on the limited amount of contract land.

12513

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HENAN

GRAIN PROCESSING INDUSTRY SURVEY RESULTS REVEALED

Beijing ZHONGGUO NONGMIN BAO in Chinese 25 Sep 84 p 2

[Article: "Superior Grain Situation Changed to Commodity Strength--
Survey of Grain Processing Industry in Zhoukou Prefecture, Henan Province"]

[Text] Henan's Zhoukou Prefecture is situated on the East Hunan Plain, where grain production is a strength. After the Third Plenary Session of the 11th Party Central Committee, agriculture experienced bumper crops year after year and grain output increased significantly. The peasants still have large surpluses of grain over and above the adequate amount retained to cover grain rations, seed and feed, and overfulfill state purchase quotas. The annual prefecturewide surplus of grain is some 1 billion jin-plus and since the peasants in general have a problem with selling grain, most of it is in storage and little is circulated.

How did they find an outlet for the surplus grain, and change the superior grain situation into a strength through products and commodities? Zhoukou Prefecture adopted diverse approaches in recent years, opened up avenues, set up the grain processing industry on a large scale and broke a new path to solve this problem.

How was the grain processing industry expanded and what was expanded? The major methods employed by Zhoukou Prefecture were:

Uphold the Principle of Simultaneously Raising Up the State, Collective and Individual. The grain departments were regarded as the backbone, the rural enterprises as the focal points, and the specialized villages and specialized households as the bases; large, mid-sized and small were integrated in developing the grain processing industry. In the last two years the grain departments of 10 counties and cities throughout the prefecture, aside from expanding flour production, set up new feed processing plants, 190 base-level grain shops, 173 cooked wheaten food shops, 133 township-run grain processing plants and 779 village-run grain processing plants; 11,000-plus grain processing specialized households and more than 50 grain processing specialized villages emerged as well.

Combine Rough Processing with Finish Processing, Strive for Product Diversification. Most of the grain processing industries in the prefecture stressed rough processing while developing in the direction of finish processing in accordance with local resources and market demand. They transformed grain into high-grade products through many levels of processing and opened up foreign markets. In order to increase the variety of merchandise, raise product quality and make the grain processing production and operations highly competitive, many grain processing units, in addition to fully tapping traditional product resources found locally, also enthusiastically imported new technology and products from other parts of the country, and brought about the situation where operations rotated seasonally, the assortment of goods produced changed according to market demand, the variety of products processed steadily increased and the design, color, size, etc., of products became more and more varied. The prefecturewide assortment of products from grain processing increased from the 50-odd in the past to more than 140 in the last two years.

Open Up Marketing Channels, Transform Goods into Commodities. In order to promote sales, many county and township combined economic cooperatives set up jointly-run farm produce and sideline product commissions in which supply and marketing, grain, banking and rural enterprises took part and which were responsible for organizing production and marketing, the signing and implementing of contracts in the grain processing industry, supervising the honoring of contracts and actively transmitting messages for the grain processing industry and specialized households; thus development of the grain processing industry was assured, and production and sales were brisk.

Practice in Zhoukou Prefecture proved that developing the grain processing industry was a fine approach which brought many immediate results in expanding commodity production where there were abundant resources and a vast market.

--It was a process which digested grain surpluses on the spot and alleviated the "grain selling difficulties." From 1983 to the present, the various grain processing industries throughout the prefecture have digested a total of more than 1.35 billion jin of grain. Many peasants have said, "Grain brought many worries in the past; now there is an outlet for surplus grain."

--It has brought about an increase in value and changed the situation of low returns from merely selling resources rather than finished products. The value of the grain was greatly increased through processing. The dried fibers factory run by Xiaowanglou Administrative Village of Huaidian Town, Shenqiu County, processed flour from wheat and then used the flour to make toasted bran, which increased the value of each jin of wheat by .06 yuan.

--It opened up the avenue to wealth and increased cash income. Expanding the feed processing industry required small investment, yielded many products and brought quick returns. Many rural enterprises and peasants set up a grain processing plant and rapidly became wealthy.

--It promoted development of the feed industry. By-products from the grain processing industry made good feed for the stock-raising industry, so development of the grain processing industry could be carried out in conjunction with development of the stock-raising industry. Wherever the grain processing industry was fairly well set up there was significant development of the stock-raising industry. The 150 specialized households which ground soy beans to make bean curd relied on the bean dregs and soybean milk to raise 250 head of large livestock and 230 head of hogs, which brought an income of 96,000 yuan. They say, "Feed for raising livestock and poultry is easy to come by since we grind soybeans every day. The stock pens are full and the animals are well-fed; the stock-raising industry is developing on a large scale."

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HENAN

DEVELOPMENT OF FEED PROCESSING INDUSTRY DETAILED

Capacity Increasing

Beijing NONGMIN RIBAO in Chinese 4 Feb 85 p 3

[Article: "Henan's Multi-Channel, Multi-Administrative Level Development of Feed Industry Calls for Establishment in Every County of Model Household for Feed Processing and for Concerned Departments at All Levels To Engage in Feed Processing; Provincewide There Are Already 301 Feed Mixing and Feed Processing Plants, and Production Capacity Has Doubled"]

[Text] Henan province had a bumper grain harvest, its domestic animals are thriving, it has actively developed the feed industry, did a good job in grain conversion work, and an excellent situation has emerged throughout the province of multi-channel, multi-administrative level involvement in the feed industry. According to statistics from related departments, up to now 301 feed mixing and feed processing plants have been completed. The single year production capacity has reached 600,000 tons, more than double that of last year.

In the last few years Henan's grain production has developed greatly. There are complaints in the rural areas of difficulties selling grain while the supply of meat, milk, and eggs in the cities are still insufficient. In order to do a good job of changing from grain and to develop animal husbandry as quickly as possible, the provincial Party committee and the provincial government have decided to establish a model feed processing household in each county and have called on involved departments at all levels to engage in feed processing. So far the grain department alone has established feed mixing and feed processing plants in 102 counties, attaining a yearly production capacity of 360,000 tons. Villages have also been actively developing feed processing. According to incomplete statistics, this year there were 151 village operated feed processing plants with an annual production capacity of 100,000 tons. The departments of foreign trade, commerce, farming and animal husbandry, and grain have also established some feed mixing, dried blood, and feed additive plants that have an annual production capacity exceeding 10,000 tons.

Commentary Urges Feed Processing

Beijing NONGMIN RIBAO in Chinese 4 Feb 85 p 3

[Commentary: "Open Up More Channels For the Handling of Feed Processing"]

[Text] In the good trend of vigorous development that has emerged in Henan's feed industry, the main thing has been the breaking of the desolate situation of the grain department being solely responsible for management, which has had the effect of bringing about multi-channel, multi-administrative level involvement in feed processing.

Looking at the condition of the large development in grain production throughout the country during the last few years, if we do not change the land producing excess grain to the production of meat, milk, and eggs, it will possibly cause the continually rising grain yields to drop. Therefore, developing the feed industry is not only an urgent need in developing livestock farming but also an indispensable link in changing the rural production structure, promoting overall development of livestock, sideline, and fishing industries, and comprehensive management of agriculture, industry, and commerce.

We should speed up feed industry development, and then carry it out in the national, collective, and individual way (open up the three doors together) as Henan is. We should especially go all out in allowing the peasants to work in the feed industry and, except for those operated by the state that require high technology or large investment, small and medium sized feedmix processing plants that use relatively simple technology can be individually or jointly operated by rural and small town enterprises, specialized households. This way the vast majority of feed processing plants can be established in rural areas, and raw materials can be utilized and marketed locally, which will save much manpower and material.

The feed industry should ensure the quality of its products, so livestock will produce more meat, and chickens and ducks lay more eggs. Involved departments should adopt specific measures to help rural and small town enterprises carry out technological reform, implement scientific formulas, and continually raise the nutritional composition of feed. Moreover, to enable the peasants to make a profit, the grain department should, based on state regulations, sell some grain at the state monopoly purchase price to feed processing plants of rural households specializing in breeding and state operated breeding farms. Also, they can sell a portion of the grain on credit to assist specialized households and feed processing plants that are having difficulties, and to support the development of their livestock farming.

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HUBEI

BRIEFS

EARLY RICE BUMPER HARVEST--On 1 August a responsible comrade of the provincial agriculture department reported that Hubei enjoyed a bumper harvest of early rice this year; total production amounted to 8.5 billion jin, which was an increase in output of 1.1 billion jin over last year. Implementing this year's Central Committee Document No 1 promoted production by specialized households in the rural areas, concentrated land in the hands of farming experts, and got the agricultural S&T personnel deeply involved on the front line by signing technical contracts with the peasants. This enabled the early rice to overcome wet weather, low temperatures, plant diseases and insect pests during the early growth stage, and brought about a bumper crop. Output increased more than 10 percent in the prefectures with relatively large early rice acreages such as Jingzhou, Huanggang and Xiaogan. [Text] [Wuhan HUBEI RIBAO in Chinese 2 Aug 84 p 1] 12513

ABOVE-QUOTA RAPESEED PROCUREMENT--As of 3 August, 3.55 million dan of rapeseed had been put in storage provincewide, which overfulfilled this year's procurement quota. Approximately 90 percent of the rapeseed in storage is of above-average quality. One of the main reasons why the rapeseed crop was of good quality and put up quickly this year was implementation of the practical policy of wide-open rather than "capped" procurement. According to statistics, more than 11,000 peasant households in Xiaogan, Jingzhou, Yichang and Xianning prefectures sold 500 or more jin of rapeseed to the state; 2000 households-plus sold more than 1000 jin. This year commune member Chen Jinlong of Jinbu Village, Gaokou Township, Zhangjin District, Qianjiang County sold 3,400 jin to the state. Another reason was timely harvesting and storage. The network points, personnel, equipment and storehouses were all specifically arranged for each locality prior to procurement. A third reason was that the various local and county grain departments paid special attention to the work of grading and pricing, as in Gong'an County where 59 samples were worked out and distributed to the procurement points to enable the purchasing agents to make purchases after comparison with the samples and thus achieve fair procurement pricing. As part of the work of putting the rapeseed into storage, facilities to accommodate the people were prepared at the various procurement points throughout the province to facilitate the masses in selling their crops. [Text] [Wuhan HUBEI RIBAO in Chinese 8 Aug 84 p 1] 12513

GRAIN, EDIBLE-OIL PROCESSING, MARKETING--The Hubei provincial grain department is shifting from simple administration to getting involved in operations by establishing various grain processing enterprises and setting up cereal and oil grain trade warehouses. In the first half of this year 1.7 billion jin of grain was handled and converted, which was a 74 percent increase over the same period last year. In the last half year there was significant progress in setting up feed processing and grain and edible-oil food enterprises. The number of feed plants (shops) increased from 80-odd last year to more than 130; feed production capacity reached 280,000 tons, which was a 23 percent increase over the 1983 production total. The offices, stations, shops, plants and warehouses of the grain departments have universally promoted production and management of grain and edible-oil foodstuffs. Just shops and plants increased to more than 1,400, the number of food product varieties managed reached 300-plus, and half-year earnings exceeded 3.8 million yuan. Jianli County plans to utilize 100 million jin of grain this year for processing feed and foodstuffs, and in the first half of the year it processed more than 60 million jin. The various local grain departments have opted to set up grain and edible-oil trade centers, wholesale markets and trade warehouses. By bringing into play the role of specialized households for transport and sales in the rural areas, 1 billion jin of grain was marketed. [Text] [Wuhan HUBEI RIBAO in Chinese 13 Aug 84 p 1] 12513

RECORD SUMMER GRAIN PROCUREMENT--As of 5 August, 3.547 billion jin of summer grain had been procured and put in storage in Hubei, which was an increase of 1.413 billion jin over the same period last year and a record achievement. This year summer grain crops amounted to 9.07 billion jin, or an increase of 800 million jin over last year. The peasants were highly motivated to sell grain because of implementation of the "reversed 3-7" ratio planned pricing policy. In order to alleviate the peasants' "grain-selling hardships" the various local grain departments set about in the spring to clear out and shift storage capacity, and construct new warehouses and open-air storage places. As soon as summer grain procurement began, the government and grain departments at all levels announced a policy of nonstop, unlimited purchasing and arranged for more than 18,000 people to be on the procurement front line. All procurement points were also equipped with mat shelters and provided tea or boiled water and food to make things convenient for the people selling grain. The responsible persons of the provincial, prefectural and county grain bureaus, respectively, got deeply involved at the scene, enhanced organization and leadership, scheduled the days and set the procurement points for the different villages and certified combined household grain deliveries. Where conditions warranted, housecalls were made to check quality and transport the grain as purchases were made. In Xiangfan City, Jingmen City, Jingzhou Prefecture and Xiaogan Prefecture the work of putting the grain in storage was tackled early and assigned tasks were completed relatively well in a situation where there were large amounts of grain to be stored and inadequate storage capacity. In order to preserve the masses' motivation to sell grain, the grain departments also organized a group of grain storage specialized households and combined undertakings which reduced the pressure on state warehouses and enabled the summer grain procurement work to be conducted smoothly. [Text] [Wuhan HUBEI RIBAO in Chinese 17 Aug 84 p 1] 12513

JIANGSU

DIFFICULTIES IN GRAIN SALES REPORTED

Nanjing XINHUA RIBAO in Chinese 20 Jul 84 p 1

[Article: "Letters and Telegrams from Peasants in Various Localities Report that 'Three Hardships' in Post-Bumper-Harvest Grain Sales This Year Add to Worries"]

[Text] Editor's note: With the bumper harvest of summer-maturing crops this year, the cadres, staff and workers of the grain departments expended great effort in procurement and put in a lot of hard work. But the peasants in many areas report grain-selling hardships and express dissatisfaction and anger. This problem deserves to be taken seriously. If the problem of the grain-selling hardships of the mass of peasants is not solved in real earnest, their enthusiasm toward production could be dampened, which would impact on the momentum of uninterrupted increases in output. Comrades in the grain departments must carry forward the revolutionary spirit, make further efforts to overcome the real hardships in storage, transport and manpower, procure as much grain as is available without limiting or capping purchases, and do all they can to carry on procurement activity around the clock. The government at all levels must enhance leadership in procurement, adopt effective emergency measures, and support and assist the grain departments to carry on the procurement work in a favorable manner. We should resolutely make redress for the loathsome workstyle of the few staff and workers at certain base-level grain offices who unreasonably create hardships for the masses selling grain.

This year summer grain production in Jiangsu Province surpassed last year's record high levels, which is inspiring news. However, in the last half month this newspaper has received several tens of letters and telegrams from the masses expressing intense dissatisfaction with the hardships in selling grain and asking the departments concerned to adopt decisive measures and convert the fruits of their bumper harvest to economic income as quickly as possible so they can further develop production and improve their standard of living.

The three major hardships in grain sales reported from the various localities are the following:

1. The provisions of the grain departments of some counties and townships only allow for procurement of the amount of grain contracted for at the beginning of the year and are strict in applying a cap on purchases. A letter from Gu

Hongyi of Tangji Township, Lianshui County, stated, "While output of wheat, barley and naked barley [san mai 0005 7796] this year was the highest ever for our township, the township grain management office issued a ban saying it would only purchase amounts of grain contracted for in the spring and no more! For instance, a contract drawn up in the spring called for Fenghe Village to sell 57,000 jin of excess grain and now the peasants want to sell more than 400,000 jin. Commune member Tao Wanwei of that village hired a walking tractor and on the afternoon of 3 July took more than 3,000 jin of wheat to the grain office and spoke politely; nevertheless, the office would not purchase grain above the contracted amount, which enraged Tao Wanwei and left him with no alternative but to take the grain back home." In another letter, Huang Jiacheng of Huilong Township, Qidong County, said, "The broad bean is a traditional crop of Jiangsu; this year the per mu output for Huilong reached 635 jin and total production amounted to more than 3.84 million jin. Since broad beans cannot be used as a staple food grain by the commune members, they must sell most of them. But the grain department would only purchase 168,000 jin, which left more than 3 million jin that could not be sold and added to the worries of the peasants who had bumper harvests."

2. Some procurement units are unrealistic, raise the grain procurement quality standards without authorization and obstinately check excess grain sales by the peasants. Letters from cadres and the masses of many townships in southern and northern Jiangsu say that during the period when summer-maturing crops ripened, repeated calamities of wind, rain and low temperatures shriveled the kernels more than last year and is a problem which is difficult for the people to alleviate at present. State grain procurement "imperfect kernel" allowances are 2.5 to 13.5 percent. Some areas this year, however, are requiring that they not exceed 12, or even 9, percent, which is a demand for higher quality. The overwhelming majority of peasant households have always sieved the grain many times in order to sell the finest to the state. Although some of it measures up to this higher standard, the grain stations still will not purchase it. A letter from Lu Jiancheng of Lujiaxiang Township, Wujin County, stated that in former years storage of the summer grain in the township was always concluded in June, but that even as of the first 10 days of July this year the amount of summer grain stored away was less than 28 percent of the amount that should be procured. Five commune members in Wuxi County each asked in a letter: If the portion of shriveled wheat kernels does not affect edibility, why cannot a procurement price be negotiated based on quality?

3. The ideology and work style of the cadres, staff and workers in some grain offices is not right and they deliberately make things difficult for the masses selling grain. A letter from a comrade in a marketing cooperative in Funing County said that the Chenliang grain station, in order to refuse purchase of the peasants' excess grain, used as the excuse that the grain was not dry, and time and again demanded that the peasants sundry their grain at the grain station for up to 10 days, which caused them to suffer indescribably from the heat during the daytime and mosquito bites at night. At approximately 4:00 pm on 7 July, a large thunderstorm struck and a lot of the grain was washed away by the rainwater, which caused serious losses. Letters from the masses in Jianhu, Baoying, Taixing and Dafeng counties indicate that the workers at some grain

stations not only speak insolently and hurl invectives at the peasants, they also go to work late and leave early, burden grain selling with red tape, give preference to their fortunate friends and embezzle grain from strangers; the grain sellers are forced to keep their resentment to themselves.

Aside from these things, many letters also report that the wheat in some areas this year was hit by wheat scab, and other areas had rainy weather during the wheat procurement time so approximately 10 percent of the wheat sprouted milk shoots. That the grain departments would not purchase this "defective wheat" is reasonable enough. But there was no way for the peasants to sell it at reduced prices. They ask if the state could not carry out another procurement and make the wheat useful after treating it through scientific methods; this would lessen losses and increase the peasants' earnings as well.

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JIANGSU

CHANGES IN RURAL PRODUCTION STRUCTURE ANALYZED

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL PRODUCTION TECHNOLOGY]
in Chinese No 11, Nov 84 pp 7-9

[Article by Wu Rong [0702 3579], of Rural Work Department, Jiangsu Provincial CPC Committee, and Wu Defu [0702 1795 1381], of Policy Research Office, Suzhou City CPC Committee: "Reform Adds Vigor to Great Development of Commodity Production--a Tentative Analysis of Four Types of Structural Changes to Rural Production in Jiangsu Province"]

[Text] Five years after the 3d Plenary Session of the 11th CPC Central Committee, the initial reform of the cooperative economic system in rural areas has been basically completed. The reform is now entering its second stage, which is mainly aimed at making rural production more market-oriented, further increasing productivity and marketability, developing new commodities and removing obstructions in circulation channels. To this end, an important task is to change the structure of rural production--from a solely farming structure to a diversified economic structure.

Judging by the situation in Jiangsu, the change in the structure of rural production is now spreading from points to entire areas. Taking the lead are the economically more developed rural areas in southern Jiangsu. Here commodity production started earlier than in other areas. But southern Jiangsu is poor in natural resources per capita, particularly land which averages only about 1 mu per capita. Engaged solely in farming on 1 mu of land per capita, the peasants could hardly make enough to feed and clothe themselves. Their farm products had a very low marketable rate, and the outlook of small towns and rural villages remained unchanged. Results of repeated practice showed that the solely agricultural production structure in the rural areas must change for the development of a diversified economic structure combining farming, sideline occupations, industry, commerce, transport, construction and service trades. Leading the way in changing the solely farming economy in these areas are the rural township industries. The rise and development of the rural township industries not only have insured stable agricultural production, steady increase in grain output and fairly rapid development of a diversified economy, but have brought about initial prosperity of commerce, transport, service trades, culture and education in the rural areas. The experience of the economically developed areas in southern Jiangsu has enabled other areas to deeply understand that a solely farming economy is a dead end,

and that the only way for poor rural areas to get rich is through overall development of diversified economic undertakings. Therefore, rather radical changes have taken place in the rural production structure in various parts of the province, each locality proceeding from its own actual conditions, turning its strongest points into economic backbone, taking agriculture as the foundation for developing diversified undertakings and making commerce and service trades the arteries and veins in commodity production. This has spurred the rapid growth of commodity production in the whole province.

In the 5 years since the 3d Plenary Session of the 11th CPC Central Committee, the province's total grain output has increased from 48 billion jin to 61 billion jin, or 27.1 percent; marketable grain from 9.46 billion jin to 16.45 billion jin, or 74.1 percent; output of hogs, poultry, eggs, silkworm cocoon, fishery and other diversified undertakings has registered increases ranging from 10 percent to over 100 percent; the output value of rural township industries has increased from 6,338,000,000 yuan to 16,209,000,000 yuan, or 156 percent; and the combined marketable rate of rural production has increased from 50 percent to 72 percent. Judging by the main body of the rural economy in various areas, four types of production structures have begun to take shape in the province.

The first is a diversified structure with the processing industry as its main body. This type is represented by Bixi Township, Changshu City, where the vigorous development of township industries has made peasants rich, brought prosperity to rural villages, changed the peasants' way of life, accelerated the development of small towns and narrowed the difference between town and countryside. The profound significance and enormous impact are beyond estimate. When a central leading comrade came here on an inspection tour at the beginning of the year, he praised it as the "Bixi road." This type has the following characteristics: 1. It has a superior geographic location. With a subtropical climate, an annual rainfall of about 1,200 millimeters and criss-crossing rivers and lakes, there are abundant water resources for both agricultural and industrial development. 2. There are concentrated clusters of large and medium-sized cities. The cities in this area, their industrial output value accounting for one-seventh of the national total, have great economic strength. Nearly a third of the rural township industries have established close ties with industrial enterprises in the cities. 3. There are good transportation facilities. The area's water transport conditions are the best in China. Web-like river systems and low cost water transportation move more than 10 million tons of freight for the township industries. Highway transportation is also very convenient. Every rural township can be reached by motor vehicles, and highways now total 3,000 kilometers in length. The Beijing-Shanghai Railway, the Changjiang and the Grand Canal between Beijing and Hangzhou run across this area, linking the local economy with the rest of the country. 4. Southern Jiangsu is an area of advanced culture and the cradle of modern national industries. There are many skilled workers and competent managers. Before liberation, a large part of the industrial workers in such large and medium-sized cities as Shanghai and Wuxi were from this area. Now, 42 percent of the sheet metal workers in Shanghai are from rural villages in Wuxi County, and about 50 percent of Shanghai's textile workers are from rural villages in Jiangyin, Shazhou, Changshu and Taicang. Countless ties

link the cities and the rural villages. At present, the output value of the township industries in southern Jiangsu accounts for over 60 percent of the area's rural economy and has become its main part. In the rural areas of Suzhou City, also in southern Jiangsu, the output value of township industries now accounts for 68 percent of the total rural industrial and agricultural output value, and the per capita gross value of industrial and agricultural output has reached 1,800 yuan. Owing to the development of the rural township industries, agricultural production has also maintained basically steady growth. Last year's grain output was 5.3 billion jin, which was close to the highest record in history. This year's summer grain crop topped last year's by 490 million jin, and the whole year's grain output is expected to surpass the best past record. The combined marketable rate of industrial and agricultural products is 86 percent. As a result of all-round industrial and agricultural development, the per capita income of the rural population in Suzhou increased to 414 yuan in 1983, and 131 percent increase over 179 yuan in 1978. With the development of the diversified structure, the demands for agricultural and sideline products by industry and cities have kept increasing, and agricultural production is unable to keep up with the demands. Because of this, they are drawing from experience and trying to readjust the internal structure of agriculture to vigorously develop animal husbandry, raising hogs, poultry, cattle, sheep, rabbits and fish, and grow some suitable industrial crops to reduce somewhat the reliance on grain so that a higher level of agricultural and sideline production can be attained.

The second is a diversified structure with export of services as the mainstay. This type is represented by Nantong. Nantong is also a Jiangsu county with a large population but limited land. The per capita farmland area is less than 0.8 mu. Manpower resources are very abundant and generally skilled. So the area is in a very strong position to export services. During the period when only farming was stressed, all able-bodied persons must work in the fields, and the result was the impoverishment of the peasants, whose per capita income then was less than 60 yuan a year. Since the 3d Plenary Session of the 11th CPC Central Committee, people have emancipated their minds, and flexible policies have been adopted. Not only are individuals allowed to find work elsewhere, but services are being exported in an organized way. This has quickly cured the rural villages of poverty. Export of services is also the common road followed by the entire central Jiangsu area of sandy land. An outstanding example is the bricklayers, barbers, pedicurists and cooks from Jiangsu County working in all parts of the country. To bring its strong points into full play, the central Jiangsu area has made great efforts to organize export of services so that the "highly profitable, smokeless factory" can accommodate more labor and create greater wealth. Major efforts are concentrated on the following: 1. Strengthening technical training to improve the skills of the professional tanks. By establishing professional schools and running technical training classes, professional and vocational education have been strengthened. Nearly 100,000 technical cadres and skilled workers have been trained in the past 5 years, greatly enhancing the area's ability to undertake highly difficult construction work in other places. Construction crews from rural villages here now are undertaking construction of buildings of more than 10 stories in big cities, buildings of more than 30 stories in Shenzhen and even taller ones in foreign countries, and they have been repeatedly commended

for quality work. 2. Constant expansion of the ranks of professionals for various kinds of service exports. In the past, members of the "five skilled trades [blacksmiths, carpenters, weavers, bricklayers and stonemasons] generally went out on their own without organization and ill-prepared for competition. Now, on the one hand, idle members of various skilled trades in society are being assembled (not by coercion but on a voluntary basis) and urged to take on apprentices, and on the other hand, senior and junior middle school graduates are recruited through examinations to attend professional schools and vocational training classes to build up a reserve force for the service trades and improve the cultural level of the service workers. At present, 60 percent of the staff members and workers of the service trades have a junior middle school or higher educational level, putting an end to the past situation of having illiterates run things. 3. Putting the stress on investing in equipment to raise the level of mechanization. Now, 70 percent of housing construction is done by machines, reducing labor intensity and improving construction quality. 4. Strengthening management and increasing economic returns. Through efforts by all concerned, the central Jiangsu area has greatly strengthened its ability to export services. Not only are construction workers, barbers, cooks and other service workers from this area serving in all parts of China, but several thousand construction workers from central Jiangsu are working at construction sites in the Middle East. At present, more than 600,000 workers have gone out from this area, earning more than 1 billion yuan each year. Helped by the service income, agriculture has also grown fairly rapidly. Per-mu cotton yield has remained above the 150-jin level; grain output is also increasing; and peasants' grain ration has increased from less than 400 jin in the past to more than 550 jin now.

The third type is a diversified production structure with farming and side occupations consisting of benign biological cycles as the main body. This type is represented by Haian County. For many years, peasants in Haian followed a traditional, simple cycle in farming and livestock production: They fed hogs with grain, used hogs' droppings to fertilize fields to grow mulberry trees and raise silkworms, and used silkworms' excrement to lime fields. Since the 3d Plenary Session of the 11th CPC Central Committee, with the development and utilization of the feed industry, marsh gas and earthworms, some peasants have used chicken droppings and silkworm excrement to feed hogs; others have used earthworms to feed hogs, poultry and fish; still others have used the dregs from methane-generating pits to grow mushrooms; and all have expanded the original simple cycle. An agricultural-ecological system is being established step by step combining crop farming with animal husbandry, or crop farming with fishery, or crop farming with both animal husbandry and fishery, to obtain the maximum efficiency in material cycles and energy conversion and to achieve multiple-level utilization, and multiply the value, or agricultural and sideline products. In 1983, the county's per capita output of pork, fish, poultry and eggs based on its agricultural population was more than 120 jin, and its silkworm cocoon output, nearly 100,000 dan, was the largest in the province, both more than double that in 1978. The proportion of the output value of diversified undertakings in the total value of agricultural production increased from 32 percent in 1978 to 42 percent in 1983, and that of animal husbandry increased from 18.3 percent to 30.2 percent. The development of diversified undertakings and increasing number of new products have helped

bring about richer and more rational cycles. They want to develop through a period of practice still more ideal cycles and, relying on various biological chain cycles, organize tens of thousands of households to constantly reduce costs, increase economic returns and accelerate further growth of commodity production.

The fourth is a diversified economic structure of the resources-displacement type with the mining of mineral resources as the main body. This type is represented by Tongshan County in Xuzhou Prefecture. Mineral resources are very plentiful in Xuzhou Prefecture, Tongshan County in particular. More than 80 percent of the mountains in the county are limestone; large coal reserves are underground; and there are more than 80 gangue hills with deposits totalling more than 120 million tons. There are also many kinds of marbles with a variety of colors and textures and reserves totalling more than 200 million cubic meters. Regarded as a valuable building material, quarried and processed marble is not only in great demand at home but sell well on foreign markets. In addition, there are refractory clay, porcelain clay, asbestos and many other resources. Mining and utilization of the abundant natural resources not only can increase the peasants' income but will promote cooperation with technologically advanced areas in exchange for applicable and advanced technology, which is described by the local people as "replacement of resources with money and technology." It is also referred to as "displacement of resources." As a result of initial exploitation, in historically poor and backward Xuzhou Prefecture, the people's living standards have been greatly improved with income increased more than 500 percent. Through exploitation of natural resources, a great deal of production technology has been brought in, which not only has promoted agricultural development, increasing the prefecture's total grain output from some 5 billion jin to 10 billion jin and enabling commune members, who used to eat "resold grain," to sell large quantities of marketable grain, but has accelerated the development of the rural township industries. And industrial takeoff and development has broken the shackles of natural economics, broadened the peasants' vision and enhanced their knowledge, the significance of which is beyond estimate.

The four types of structures have one common characteristic: They all give full play to the favorable conditions of the localities in developing the most advantageous local industries which, as the main part of the production structure, promote all-round prosperity of the rural economy as a whole.

To do a good job in changing the structure of rural production, that is, to turn a solely agricultural economy into different types of diversified production structures, it is fundamental that serious attention be paid to the shift of labor force. The solely farming economy has caused the impoverishment of the rural areas mainly because it tied the labor force not needed for agricultural work to the limited farmland. In a diversified production structure, however, it is possible to shift the surplus farm workers to other fields of production. Our country's large population and limited land make it necessary to constantly expand all branches of economic activities other than agriculture. Because production is developing in an intensive orientation, labor productivity is getting progressively higher, and this in turn accelerates the growth in surplus farm labor which can be turned into added vigor to the

development of various other trades. To arrange for the surplus labor, which constantly drifts away from agricultural production, to find jobs in an expanding diversified economy, there must be certain external conditions suited to the needs of the surplus farm labor. With the exploitation of various natural resources, the intensive processing of agricultural and sideline products, the continuous expansion of big urban industries, the constant development in science and technology and the gradual change of the people's life style, there will always be new industries requiring more workers, thus providing local job opportunities for the surplus labor and making it possible for the diversified structure of rural production to continue to grow.

The four types of diversified production structures in Jiangsu's rural areas are not of a similar organizational pattern. In southern Jiangsu, collectively operated rural township industries play the dominant role. In Haian, the stress is placed on diverse types of family-operated biological-cycle farming with the cooperative economy providing necessary chain-cycle services. In Tongshan and Nantong, collectives and individuals work alongside each other in pursuing the areas' major trades. This shows that the form of operation and organization should be suited to the production structure. At present, in numerous places in southern Jiangsu, one sees people working or farming, integrated agricultural and industrial enterprises, factories running agricultural workshops, big crop-farming households and so forth. These are experiments which should be continued and carefully observed. We certainly are not suggesting that the same forms of operations of these areas be copied by other areas where conditions are different. Each locality should have its own forms of work on its own suitable scale. The peasants are able to make their own economic choices, and they will find the best forms of economic organization and the best way to run their business. We should go among the peasants, allow them to go on with their practice, carefully observe and study what they are doing and offer them proper guidance so that this great change in the structure of rural production can proceed smoothly.

12802

CSO: 4007/119

JILIN

BRIEFS

INCREASED PLANTING OF PADI RICE AND WHEAT--Food crop production this year in Jilin Province started changing to fine and high quality grains. Last year's 4.16 million mu of padi rice and 1.2 million mu of wheat will be increased this year by more than .5 million mu and .7 million mu respectively. This planting goal for adjusting the internal food crop structure was put forward by the Jilin Provincial Rural Work Conference that ended 20 January. This year Jilin is vigorously developing its corn production and expects to produce approximately 10 billion jin annually. This adjustment in supply is to change the food crops production from coarse to fine grain and from inferior to superior grain. In order to increase the acreage under padi rice and wheat, Jilin plans to adopt combined irrigated and dryland farming methods, spread the production techniques of employing mechanized transplanting of rice seedlings, large canopies for growing seedlings, ground coverings, and weed killers. [Text] [Beijing NONGMIN RIBAO in Chinese 30 Jan 85 p 1] 12704

CSO: 4007/236

LIAONING

EXPANSION OF RURAL COMMODITY PRODUCTION DISCUSSED

Commodity Production Increase Needed

Shenyang LIAONING RIBAO in Chinese 20 Sep 84 p 1

[Editorial: "Rural Commodity Production Needs New Leap Forward"]

[Text] The provincial Party Rural Work Conference has determined that we must further promote rural reform, go all out to enliven the economy, push rural commodity production in the province to a new stage and enable the peasants to become wealthy as quickly as possible. This is the starting point and end-result for all work in the rural areas throughout the province in the period ahead. We must have a clear understanding of the situation, get in motion, pay close attention to our work, exert ourselves in the struggle and set off a rapid new upsurge in commodity production.

Leading comrades of the central authorities have recently pointed out that a new task which faces us in the rural areas at present is to actively pursue various forms of specialty contracting based on the solid and continually improving foundation supplied by the joint household production contract system, readjust the industrial structure and devote major efforts to expanding commodity production. In the wake of implementing the various policies of the Party since the Third Plenary Session of the 11th CPC Central Committee, a joint production contracting system has generally been set up in the rural areas of the province, large numbers of the "two households" have emerged and there has been an abrupt expansion of commodity production. The commodity rate for farm products has increased from 39.8 percent in 1980 to more than 70 percent. By going in for agriculture, industry, commerce and transport in a big way in the rural areas throughout the province, developing production and speeding up construction of small cities and towns, broad prospects have emerged for an overall expansion of commodity production. All this indicates that the province's rural economy has begun to enter a new period of specialization and commoditization, that the rural areas are transforming from self-sufficiency or semi-self-sufficiency to a large-scale commodity economy and from traditional to modern agriculture. This is a great historical turn of events and the most profound and significant change

which has taken place in the Liaoning countryside in the 35 years since the founding of the PRC. A real test of every comrade engaged in rural work is whether or not he has a clear understanding of and can keep pace with the present situation, and whether or not he is able to successfully organize large-scale commodity production. This directly impacts on the strengthening of the socialist system and achieving the strategic goal of "quadrupling" [output value].

The problem at present is that when it comes to devoting major efforts to expanding commodity production, we have comrades who cannot open their minds and whose work is still largely ill-adapted. When we say that they cannot open their minds we chiefly mean that they have yet to completely cast off the influence of "left" ideology and the bonds of a small-scale peasant economy mentality, and they have an insufficient understanding of the necessity and progressiveness of commodity production. Whether they are aware of it or not they have shackled themselves and others by employing the regulations and restrictions of the day, and lack the mind for bold reform and the spirit to forge ahead. What we mean by their work being ill-adapted is that they have an insufficient grasp of the law of commodity production and are not very flexible in organizing and leading such commodity production. Thorough investigation and study of the natural resources, industrial strengths and other economic activity in this area have been lacking and guidance has not been strong enough. Obviously this situation must be changed as quickly as possible. How do we change it? We propose "two words"--"study" and "dare." Commodity production is a new branch of learning; if we do not study it we will not understand it and it will be difficult to usher in new prospects. We should say that old and young alike are currently faced with a learning task. We must study Central Document No 1, the expositions of leading comrades of the central authorities regarding commodity production, and commodity economy theory. We must learn from books, even more from practice, and from all those with experience; through study we will deepen our understanding of the necessity and progressiveness of commodity production, correct our thinking, "get rid of the old and spread the new," eradicate worn-out concepts and conventions, foster the new concept of commodity production, get a better grasp of the law of expanding commodity production, increase our ability to organize and manage commodity production, and enable our work to keep pace with the rapidly developing commodity economy. Commodity production is a new and great undertaking so it requires a measure of daring. Without daring, there would be no breakthroughs; without breakthroughs there would be no significant expansion in commodity production. We must have the courage to explore. To explore means to experiment, to work hard for success through experimenting while allowing failure; in failure we derive experience and draw lessons. In short, if we want to expand commodity production on a large scale and establish socialism with Chinese characteristics, our historic appointment requires us to dare to travel paths no one else has travelled and do things no one has done before.

Expanding the rural commodity economy is a process in developing the overall economy. Since there is much to be done, what should we concentrate on at present? This meeting of the provincial Party Rural Work Conference emphatically set forth four points: first, earnestly stress the work of perfecting and strengthening the agricultural joint production contract system to further stabilize and expand agriculture; second, devote major efforts to developing rural enterprises; third, go all out to stimulate circulation; fourth, speed up construction of small cities and towns. These four tasks are an organic whole, mutually related and promoting each other. The focus of all of them centers on the overall subject of promoting development of a commodity economy in the rural areas of the province. Perfecting the joint production contract system and the steady development of agriculture is the basis and guarantee for vigorously expanding commodity production. It could be said that if there were no joint production contract system there would be no commodity production today. Likewise, if agriculture were not flourishing, there would be no stable commodity economy. Rural enterprises are the mainstay for expanding commodity production in the countryside and promoting quick wealth, and are of particular significance in vitalizing the rural economy; innumerable facts have proved that "no work, no wealth." Impeded channels of circulation and the peasants' difficulties in buying and selling continue to be a prominent contradiction hindering the development of commodity production at present. Therefore, we must relax our ideology and stimulate circulation. When the links in circulation are brought to life, everything comes to life; otherwise, both production and consumption are affected. The small cities and towns are the "collecting and distributing centers" for agricultural commodities, contain the industries dispersed from the large and mid-sized cities and are "reservoirs" for the surplus labor force in the countryside. Speeding up construction of small cities and towns is an extremely important link in ushering in a new phase of commodity production. We must proceed with construction of the small cities and towns and gradually form a provincewide commodity economy network which relies on the rural areas, makes the large and mid-sized cities the backbone, and makes the small cities and towns scattered throughout the province the links between the urban and rural areas.

Pushing commodity production to a new stage in the rural areas of the province is a requirement of developing circumstances and is provided with many favorable conditions as well. We have bountiful natural resources, a solid industrial base and closely clustered cities, developed communications and transportation, a large group of people with technical talent and an adequate labor force. In particular, great achievements have been brought about through five years-plus of reform of the rural economic system which has opened up broad avenues for developing large-scale commodity production. We have no reason not to move in the forefront of the nation as a whole in expanding rural commodity production. We firmly believe that if the Party organization at all levels, the vast numbers of cadres, Party members and the masses in the

rural areas throughout the province all go into action enthusiastically, and if they unswervingly implement the line, principles and policies of the Party Central committee, dare to be enterprising and promote reform, it will certainly be possible for commodity production to experience a large and rapid expansion, and for us to realize the goal of constructing a new rural area which is flourishing, rich and populous.

Expanding Rural Commodity Production

Shenyang LIAONING RIBAO in Chinese 20 Sep 84 p 1

[Article: "Develop Productive Forces in Rural Areas in All-around Way; Usher In New Phase of Commodity Production--Liaoning Provincial CPC Committee Convenes Rural Work Conference--In Address Comrade Dai Suli Asks for Emphasis on Four Things Centering on the Overall Subject of Expanding Commodity Production: Further Stabilize and Perfect Joint Production Contract System, Devote Major Efforts To Developing Rural Enterprises, Go All Out To Stimulate Commodity Circulation, Speed Up Construction of Small Cities and Towns"]

[Text] The 4-day provincial Party Rural Work Conference ended in Shenyang yesterday [19 Sep]. The conference concentrated on discussing the issue of further expanding commodity production in the rural areas. It was felt at the conference that the province's rural economy has begun to enter a new period of specialization and commoditization. All levels of the Party organization, the vast numbers of Party members and the masses in the rural areas throughout the province must continue to promote reform, implement the various policies of the Party, develop the productive forces in an all-around way and bring a new leap forward to commodity production in the countryside.

Provincial Party secretary Dai Suli [2071 5685 3810] gave a summing-up speech at the closing of the conference yesterday. He cited numerous facts, expounded on the new situation in development of commodity production in the rural areas of the province and set forth the task for the future of ushering in a new phase of commodity production. He said that there has appeared throughout the countryside this year a great upsurge in expansion of commodity production due to the various localities conscientiously implementing Central Document No 1 and actively promoting reform. The number of specialized households and key households has increased from 1.4 million last year to 1.657 million, and there have been new breakthroughs in management approach, scale, projects and scope. Rural enterprises have ended their state of flux and great expansion has come about; gross output value for the first half of the year was more than 1.96 billion yuan, which was a 20.2 percent increase over the corresponding period last year. Vast numbers of peasants entered the circulation sphere and became a new army full of vitality. They have coordinated with the state-run and collective businesses and the supply and marketing cooperatives, and formed a new multi-form, multi-level, multi-channeled circulation system with few links. There has been an

organic integration of the urban and rural economies and rapid expansion in construction of small cities and towns. Industrial products are sent to the countryside, factories are dispersed there, and the peasants enter the cities to work, set up businesses and engage in transport. The storage and mining industries are also springing up in various localities throughout the province. The whole rural economy is invigorated as never before and new things are emerging one after another. All this proves that the province's rural economy has begun to enter a new period of specialization and commoditization. However, there are also some problems which are difficult to observe. The major one is that there are still some comrades who have not thoroughly cast off the influence of "leftist" ideology and the bonds of a small-scale peasant economy mentality, they cannot open their minds and their work is unsuitable. Progress in reforming the rural economic system has been uneven. Individual comrades are satisfied with the present situation, indiscriminately imitate the experience of other parts of the country and pursue formalism. Although this is a problem in forging ahead, we must resolve it promptly.

When speaking on the new tasks facing the countryside, Dai Suli said that the starting point and end-result of all work in the rural areas in the near term is to give further impetus to reform, go all out to enliven the economy, usher in a new phase of commodity production and make the peasants prosperous as soon as possible. He said that we must focus on and emphasize four things at present centering on the overall subject of expanding commodity production.

First, we must further stabilize and perfect the household joint production contract system. This is an important guarantee to arouse the enthusiasm of the masses and expand the rural commodity economy overall. Land management contracting and adhering to the principle of "great stability, little regulation" must revolve around perfecting specialized commodity production. We must facilitate the relative focus on land management, put extra work into construction and developing soil fertility, and increase the productivity of the land. We must conscientiously settle production contracting disputes over relatively high incomes from fruit trees, uphold the credibility of the contracts and protect the legitimate rights and interests of the specialized households, combined specialized households and specialized teams. To perfect the joint production contract system we must start with reexamining and perfecting the contracts, focusing on rationally determining the quotas to be extracted, setting the management requirements and the necessary system of rewards and penalties, and fixing the specific methods of handling contract violations and disputes. At the same time as this, we must further strengthen base-level cooperative economic organizations and bring the role of administration, management and service into play. We must develop cooperation and joint effort in the various specialties in accordance with the requirements of production and the wishes of the masses, devote efforts to developing specialized households, large specialized households, specialized family enterprises, specialized

production cooperatives and combined service cooperatives. We must break through the limitations of administrative divisions, adhere to many patterns and many levels, make the socialist system flexible and diverse, and open up avenues for specialization and commoditization in the rural economy.

Second, we must devote major efforts to developing rural enterprises. This is an extremely important part of overall development of a commodity economy in the countryside. The township and town enterprises must shoulder heavy burdens for the rural economy to quadruple. Developing the rural enterprises involves each locality and department and many specific policies, rules and regulations. This requires the higher and lower authorities on the left and the right, from cities to townships, to cooperate closely and make joint efforts. To speed up the development of rural industries we must make the word "expand" a broad issue; expand avenues, expand the use of resources, expand the collection of funds, expand talent and expand markets. We must break through the confines of districts, trades, scale and form, proceed from what is beneficial to the state, collective and individual, develop whatever needs to be developed, develop however much we can and by whatever means. All departments must pave the way and build bridges for the development of rural enterprises and give all the support and encouragement they can.

Third, we must do all we can to stimulate circulation. Impeded channels of circulation continue to be the most prominent problem at present with respect to expanding commodity production. The main thing we must do to stimulate circulation of commodities in the countryside is to speed up reform of the commodity circulation system in place today. We must unswervingly implement the principle of raising up the state, the collective and the individual at the same time and make "open up" and "enliven" basic to our guiding ideology. We must break through the bounds of administrative districts, open up the cities and countryside and set up diverse types of economies and management styles and many channels of circulation. Government-operated businesses must change their bureaucratic ideas and style, and expand the management sphere and the scope of business. Rural supply and marketing cooperatives must regain the "three characteristics," the core of which is changing them from being "government-run" to being "run by the local people," and regaining and establishing their mass nature. The peasants' entering into the circulation sphere is a necessary thing for thoroughgoing reform in the countryside and expansion of commodity production. We must enthusiastically encourage, support and lead this new commercial army which has great vitality and allow the peasants to give full play to their abilities in the realm of circulation. Which is the main channel of circulation, the township or the village? This must be determined by considering which competes better in launching marketing businesses.

Fourth, we must speed up construction of small cities and towns; these are where the rural enterprises are concentrated, the arena for concluding transactions, and collection and distribution centers. They are important

bases for developing the rural commodity economy as well as "bridgeheads" for joining the urban and rural areas so we need to speed up the construction rate. We must reform the present management system and expand the authority of the small cities and towns to act on their own accord. We must depend on the self-reliance of the masses and every department concerned must be active in providing the necessary conditions for this. We must give energetic support to the peasants and various cooperative economic organizations to enter the small cities and towns to work, run businesses and engage in service. We must conscientiously emphasize development planning for small city and town construction. We must not stick to one pattern, but spread things out and form a rationally distributed network of cities and towns.

Lastly, Dai Suli emphasized that Party committees and government at all levels must earnestly strengthen their leadership in rural work. He said that the task of organizing and leading commodity production on a large scale historically falls to the leading cadres at all levels. We must value highly the fine situation obtaining in the countryside, further carry on with bold reform, be rich in the revolutionary spirit to keep forging ahead and bold in opening things up, advance thorough-going reform in the countryside, implement the various economic policies of the Party, vigorously pursue various forms of specialty contracting, successfully organize and lead commodity production and promote the "two transformations." We must take the whole rural economic situation into account and plan accordingly, correctly handle relations between industry and agriculture, and between grain production and economic diversification and various other industries. We should never forget that agriculture is the foundation of the national economy and we must firmly protect the peasants' initiative to produce grain and develop the livestock industry. Bai Lu [White Dew] has now passed and fall is near at hand; the annual busy harvest season has arrived. We definitely must not lose the opportunity to take charge of the autumn harvest and procurement work, carry out to completion the transport and storage of grain and guarantee the peasants a bumper harvest.

The provincial Party committee secretary (concurrently Haicheng County committee secretary), Li Tieying [2621 6993 2503], spoke on the problem of overall reform in the rural areas.

Sun Qi [1327 1142], provincial lieutenant-governor, presided over the conference.

All municipal committee secretaries in charge of agriculture, deputy mayors, rural work department heads and the responsible comrades of the provincial departments directly concerned attended the conference.

12513
CSO: 4007/43

NINGXIA

NINGXIA STRESSES CHANGING RURAL PRODUCTION STRUCTURE

Yinchuan NINGXIA RIBAO in Chinese 10 Dec 84 p 1

[Editorial: "Changing the Production Structure Is a New Task in Rural Reform"]

[Text] We have spent nearly 5 years in carrying out the restructuring of the cooperative system in the rural areas, and a planned-output contracting system has been established, achieving the first step in rural economic reform. At present, the next step in implementing the reform is to readjust the rural industrial structure so as to develop commodity production.

Why is it necessary to readjust the rural industrial structure? The reason is that the process of rapid rural economic development in recent years has brought about imbalanced phenomena in various production industries. Among the eight major industries in the rural areas, e.g., farming, breeding, processing industry, trade and services, construction, mining, transport, small-scale energy, etc., the development of farming is comparatively rapid. In farming, the development of grain cultivation is the fastest, and the development of other production industries, especially animal husbandry, is relatively slow. Such an imbalance existed in the past, and in recent years it has not been reversed. In some respects it is even more conspicuous.

The irrational nature of our prefecture's rural industrial structure is very conspicuous. Last year, the total output value of forestry, animal husbandry and fishing only made up 26.7 percent of the gross agricultural output value, much lower than the national average. The development of our prefecture's animal husbandry is very slow. The proportion of the output value of animal husbandry to the gross agricultural output value was 17 percent in 1978, and in 1983, it dropped to 11 percent, which was below the national average. This does not accord with the geographical and nationality characteristics of our prefecture. Animal husbandry lags far behind, and it cannot be transformed by slight grain production increases; this can only produce a surplus of grain. The total grain output in our prefecture was 2.9 billion jin last year with the average per capita grain consumption being about 800 jin, which was equal to the national average. Eight hundred jin of grain per person is not very much, rather it is small by the standards of other countries in the world. But the reason for the surplus was the weak transformation of animal husbandry. Since animal husbandry is poorly developed, livestock products are scarce. Our prefecture, which has a concentration

of Hui nationality, has an annual consumption of beef and mutton per person below 10 jin; milk, 3 jin; and chicken, about 2 jin. All these figures were below the national average.

The issue of an irrational industrial structure in rural areas is also reflected by the large labor surplus. The problem of labor surplus was present in our prefecture in the past, however, it was hidden by the "big communal pot." The problem has become conspicuous and acute after the implementation of the planned-output contracting system. At present, our prefecture's situation is that farmland roughly absorbs 40 percent of the labor force, and the labor force absorbed by the enterprises in the villages and towns and by the diversified economy run by the peasant households has not yet reached 20 percent of the total labor force. Thus, about 40 percent of the labor force still lies latent; they are very eager to tap new ways in the production industry. This has also indicated that there is an immediate need to readjust our prefecture's rural industrial structure.

In brief, at present, our nation's rural areas are entering a new phase in development. Without changing the old industrial structure, commodity production in the rural areas cannot be developed continually. Only by opening up new production fields and by establishing a new industrial structure can the rural economy reach a new phase of prosperity.

How can a new industrial structure be established? It is necessary that agriculture be directed on the basis of a new and large-scale agricultural viewpoint; there should be an overall development in agriculture, forestry, animal husbandry and fishing. With agriculture, industry and trade promoting each other, a larger breakthrough in commodity production in the rural areas will be hastened. Overall, consideration should be given to the following three levels: first, in the farming level, crop distribution must be readjusted. Based on our prefecture's conditions, it is advocated that the cultivation of cash crops, feed crops and green manure crops be increased, and the varieties of food crops be increased. Second, in the level of agriculture, forestry, animal husbandry and fishing, forestry, animal husbandry and fishing should be vigorously developed. Our prefecture is situated on the loess plateau with a large proportion of mountainous areas and arid land; forestry and animal husbandry are particularly important. The relative grain surplus is a pressure upon us, but it is also an opportunity. We have to make use of this opportunity to raise more beef and dairy cattle, sheep, chickens and hogs in the irrigated areas. In the mountainous areas, we have to take this opportunity to return the slopes and hilly grounds to forestry and animal husbandry. In light of the development of new irrigated areas, we also have to make use of this opportunity to step up implementation and focus on the development of timberland and animal husbandry. Third, in the level of agriculture, industry and trade, aside from stimulating agriculture, industry, commerce, transport, the construction industry and various service industries have to be stimulated. Additionally, on the basis of all these industrial developments, a series of small towns should be established. The situation of peasants being mainly engaged in agricultural activity should be changed. It is necessary to relieve 60 percent or even more peasants from the primary industry and to let them develop all kinds of new industries.

The innovational responsibility in readjusting the industrial structure has been laid before us. The leading agricultural cadres at all levels have to widen their views, have to stress investigative studies and have to direct a thorough reform in the rural areas.

12726

CSO: 4007/180

SHANDONG

COTTON PROCESSING INDUSTRY TO BE DEVELOPED

Beijing ZHONGGUO XIANGZHENQIYE BAO in Chinese 5 Jan 85 p 4

[Article: "Prefecture Goes out to Develop Processing Industry of Cotton Sideline Products"]

[Text] In its rural and township enterprises, De Prefecture has been able to utilize fully its superiority as a cotton producer. With suitable legislation, the prefecture has obtained great success in its development of the heavy processing industry of the cotton sideline products. By the end of October last year, the total number of these enterprises had already reached over 4,160, which was one-third of the total rural and township enterprises in the whole area. Moreover, the total production value of these cotton sideline industries was 20.16 million yuan, making this category the industry with the highest production value among the rural and township enterprises in the region.

De Prefecture is situated in the northwest plain of Shandong Province. Therefore, with its flat terrain and favorable climate as well as irrigation conditions, this is the most important cotton-producing area in the whole province as well as in the whole country. Its cotton production of 6.70 million tons in 1983 accounted for a quarter of the total national cotton production. The average income of this area's rural workers from the cotton or light processing industry is 280 yuan. At the same time, the favorable natural conditions will also ensure an unlimited future for the development of the heavy cotton processing industry.

During the early part of last year, the regional committee and the administration of De Prefecture studied and benefited from the Central Directive Nos 1 and 4. As a result, they were able to understand more fully the development of both the rural and township enterprises as well as the heavy cotton processing industry in producing the cotton sideline products in their region. Thus the natural superiority of the area's natural resources resulted in even greater success. According to the analyses of outside experts and from relevant quarters, the total production value that can be gained in addition to that of the 6.70 million tons of cotton and the 0.063 million tons of cottonseed oil, the additional production of 0.975 million tons of cotton stubble, 0.488 tons of pure cottonseed, 0.044 tons of bare cotton seeds, 0.01 million tons of cottonseed pods and 0.02 tons of cotton oil will multiply the total value of the light cotton processing industries in the area from a few times to well over 10

times. Therefore, in the further development of the rural and township enterprises in the area, the important focus should be placed on the efficiency of the heavy cotton processing industries. There has thus been the basic joint effort on the increased development of the heavy cotton processing industries in the production of cotton sidelines products by regional committee and the administration in the area. In its policy of developing the heavy cotton processing industry in the production of cotton sideline products, the area decided to legislate the following measures: making available over 3.50 million yuan in business development loans, building 6 large-scale heavy cotton production factories and 13 cottonseed oil refineries. At the same time, some of the rural and township units also succeeded in taking the lead in scientific development in the field and therefore the pioneering work in the development of the heavy cotton processing industry has continued. As an example, the Guangming chemical works of the Xiaodong family in Guan Town in Lini Prefecture invited five famous experts from the Hangtian area for their work in making effective use of the impurities left by the cottonseed oil refinery. These impurities were made into useful asphalt of the No 10, 30, 100 and 200 categories. As a result, there has been an increase in the total production value, and at the same time the problem of the asphalt shortage has also been solved. At the moment, the process of making fibreboard and boxes from cotton stubble is being looked into.

12 740
CSO: 4007/209

SHANXI

NEW DRYLAND FARMING TECHNIQUE ANALYZED

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL PRODUCTION TECHNOLOGY] in Chinese No 11, Nov 84 pp 10-14

[Article by Zhang Qinwen [1728 3084 2429], Wang Wende [3769 2429 1795] and Gao Chuming [7559 5710 2494], of the Shanxi Agricultural Development Research Center, Luliang Prefectural Party Committee Office of Investigative Research: "A New Technique for Dry Farming: An Investigation of the Economic Results and Effectiveness in Terms of Increased Production With the Use of a Water-Storing, Fertilizer-Accumulating, Soil-Improving Cultivation Method"]

[Text] The water-storing, fertilizer-accumulating, soil-improving cultivation method (which the masses call "high-yield furrowing"), is one dryland farming method studied and made successful by Shi Guanyi [0670 6034 5030] and other comrades at Shanxi Institute of Scientific Soil and Water Conservation Research. It has achieved notable production increases in extensive trials. Production increases ranged from 40-100 percent, and some per-mu yields were higher than 1,000 jin. When this method was extended in Liaoning, Shandong and other provinces, all production increases were around 80 percent. In 1981 it won second prize for Shanxi provincial scientific research.

Luliang Prefecture in Shanxi had extended this method to a total of 26,000 mu by the close of 1983, and in 1984 it reached 100,000-110,000 mu. Shandong, Liaoning, Gansu and other regions also extended it and achieved notable success. Further extending this water-storing, fertilizer-accumulating, soil-improving cultivation method will play major roles in agricultural development, soil and water conservation and progressive achievement of the shift toward satisfactory cycle in the loess plateau region ecological system.

Dry, unirrigated land accounts for approximately 90 percent of the cultivated land in Shanxi's mountain regions, and slope lands on which there has been severe soil and water loss account for 70-80 percent of this. For a long time now the outdated practice of extensive cultivation has been followed and there have been soil and water losses, declines in soil fertility and low yields. The lower the yields the more intense the cultivation, and the more intense the cultivation the lower the yields, until it has degenerated into a vicious cycle. Through reform of traditional cultivation methods, pursuit of this water-storing,

fertilizer-accumulating, soil-improving cultivation method can control soil and water loss, increase soil fertility and allow the 400-600 mm of annual natural precipitation to be fully retained and permeate the soil. To a certain degree this resolves the contradiction that exists in the lack of coincidence between the period of precipitation and the time when crops need water. Raising the precipitation utilization rate also raises yield, and so fundamentally transforms the low-yield situation. If we carry out the water-storing, fertilizer-accumulating, soil-improving cultivation method and other high-yield dry-farming cultivation methods on two-thirds of the 45 million mu of arid land throughout Shanxi (the former can be used on almost all except the small amount of rocky mountain land), based on a calculation of grain production increases amounting to 250 jin per mu, we can raise gross output by 7.5 billion jin. Removing one-fifth of the slope land from cultivation and returning it to forest and grassland would reduce the harvest by 2.07 billion jin, if calculated according to an average of 230 jin per mu on that land. Thus the overall balance indicates that we can still increase grain yield by 5.43 billion jin. The addition of 9 million mu to forest and grassland area will be beneficial in shifting the ecological system toward a satisfactory cycle.

I. Conserve Soil and Water, Improve the Cropland Ecological Environment

Through experimentation over a relatively long time, the water-storing, fertilizer-accumulating, soil-improving cultivation method of dry farming has assimilated the essences of pit culture, furrow and ridge cultivation and terrace cultivation, as well as the strong points of good traditional cultivation techniques. It is composed of two primary parts: "planted furrows" and "raw-soil ridges." It has obvious advantages by comparison with most cultivation methods:

1. "Planted Furrows" Can Store Water and Accumulate Fertilizer

Through careful manipulation, concentration of the topsoil and fertilizer in the planted furrows brings about an increase in the mellow soil layer from the original 0.5 chi to about 1 chi. After deep turning, the active layer of bottom soil reaches about 1.5 chi, so that the water storage capacity can be raised, the moisture content permeates to the deep soil layers and it helps the deep penetration of crop root systems. According to determinations made in 1980 at the Yuejia Shan test site in Zhongyang County, under conditions of 136.2 mm of total rainfall between July and September and a moisture content of only 7.6-8.7 percent in soil at 1 meter deep, corn grown in a field using the water-storing, fertilizer-accumulating, soil-improving cultivation method developed root systems that penetrated the soil to a depth of 1.7 m. This was a 254 percent increase in root volume over the control crop. The root volume extending from 0-30 cm accounted for 71.2 percent of the total root volume, and 28.8 percent of root volume was dispersed through the soil layer 0.3-1.7 m deep. All south-slope corn produced ears, the earing rate for both north and partial north slopes was 12-17 percent and 1,000 grains weighed 324-374 g. By contrast, the growth of root systems in ordinary field corn was weak,

most growth was confined to the soil layer 0-30 cm deep and only 2.67 percent of the root volume extended below 30 cm. The top layer of soil dried out to a withering humidity and the moisture content of the bottom layer could not make up for it, with the result that 28-63 percent of the corn did not flower or ear, 3-5 cm of the ears were bald and 1,000 grains weighed only 189-202 g.

2. "Raw-Soil Ridges" Can Catch the Flow, Effectively Retain Surface Runoff, Fully Utilize Natural Precipitation, Accomplish Summer Water Storage and Winter Snow Accumulation, Increase Spring Soil Moisture and Become a Crop Shield and a Soil and Water Screen.

According to observations at Hujia Ling test site in Zhongyang County, in the two years from 1981 to 1982 runoff occurred 9 times and the volume of rainfall was 330.7 mm. On a 10 m, 16 degree cultivated slope, no soil and water loss occurred using the water-storing, fertilizer-accumulating, soil-improving cultivation method, 6.6 cm of water and 0.51 tons of topsoil were lost per mu. This was 91.6 percent and 97.4 percent less, respectively, than the 78.6 cm of water and 19.9 tons of topsoil lost from the control field. Calculated on this basis, in two years a mu of conventionally cultivated land lost 235.8-270.4 jin of organic matter, 18-20.64 jin of nitrogen and 14.65-16.80 jin of phosphorous. By contrast, on a 21 degree slope cultivated with the water-storing, fertilizer-accumulating, soil-improving method, only 7.18 jin of organic matter, 0.53 jin of nitrogen and 0.45 jin of phosphorous was lost. In 1986, on the 21 degree slope the water-storing, fertilizer-accumulating, soil-improving cultivation method increased the yield by 101.5 percent over that of control field, and after the autumn harvest the amount of water stored in soil from 0-200 mm deep was also increased by 30.4 mm over the control. On the 16 degree slope the increase in yield was 66.4-68.9 percent, and after the autumn harvest the water stored in soil 2 m deep was increased by 27.6 mm.

3. The Water-Storing, Fertilizer-Accumulating, Soil-Improving Cultivation Method, with Its Furrow and Ridge Intervals and its Unevenness, Can Enlarge the Surface Area and Augment the Solar Radiation Reception Capacity.

In actual measurements, this method increases the per-mu surface area by 266.7 square meters and can accept 3.62×10^8 kilocalories more solar radiation per year. It also can retard surface wind speed and make the surface environment relatively stable. Because the mellow soil layer in the planted furrows is thick, there is abundant air in the soil so that the early spring ground temperature rises again rather quickly. From 1 April to 30 April 1978, tests at Yuejia Shan in Zhongyang County determined that ground temperature in the 0-40 cm soil layer rose by 1.3-2.2 degrees C, so that sowing could be done earlier and the crop growing season could be lengthened. At Zhongyang County's Lijiayuan Production Brigade, located in the Gaohan Mountain Area, the hybrid corn and sorghum grown in the past would not ripen. In 1981 and 1982 the brigade adopted the water-storing, fertilizer-accumulating, soil-improving cultivation method to grow a total

of 58 mu of "Danyu No. 6" and "Zhongdan No. 2" corn and "Jinza No. 4" sorghum. All of the crops ripened, the per-mu yield reached 682 jin and 484 jin for the two crops, respectively, and 1,000 grains weighed in at 324-374 g. By contrast, the conventionally cultivated corn and sorghum did not ripen, the kernels were emaciated and 1,000 grains weighed only 89-161 g.

4. Using the Water-Storing, Fertilizer-Accumulating, Soil-Improving Cultivation Method, Cultivating 1-2 Rows Within the Furrows and Planting Pulses for Green Manure on the Raw-Soil Ridges—Alternating the High and the Low—Makes for Good Ventilation and Sunlight Penetration.

Tests conducted in 1982 at Hujia Ling test site in Zhongyang County verify that the height of corn plants cultivated with the water-storing, fertilizer-accumulating, soil-improving method increased 11.2-26.5 cm over the control crop. The length of their ears increased by 0.9-2.37 cm, individual plant yields increased by 89.8-104.2 g and the weight of 1,000 grains increased by 24.1-58.8 g. Results from Haojia Ling test site in Zhongyang County showed a corn yield of 2,238 jin/mu, an increase of 1,1709 jin over conventional cultivation methods. The economic coefficient of 0.39 was an increase of 0.11 over the conventional method economic coefficient of 0.28.

II. Outstanding Production Increases, Improvements in Technical and Economic Results

After more than 10 years of testing and extension, the water-storing, fertilizer-accumulating, soil-improving cultivation method has proven outstanding both in terms of increased yields and economic results.

1. Both Small-Scale Demonstrations and large-Scale Extensions Have Attained Outstanding Increases in Yields

In 1983, Zhongyang County extended water-storing, fertilizer-accumulating, soil-improving cultivation to 11,000 mu, and, according to random sampling, the per-mu yield in all cases stabilized at 400-700 jin. Increased yields in Liaoning, Shandong and other provinces' extensions of this method were all around 80 percent. In 1981 Zhongyang County's Hujia Ling Production Brigade Scientific Research Team conducted tests on the water-storing, fertilizer-accumulating, soil-improving cultivation method on 4.5 mu of non-contracted, inferior land. Their per-mu corn yield was 819 jin, which exceeded that of somewhat better land by 170 percent. In 1982 the production brigade leader contracted 30 mu of land and made a production contract for 3,300 jin. He cultivated 4.2 mu with the water-storing, fertilizer-accumulating, soil-improving method. His total yield was 34,007 jin, with a per-mu yield of 809.7 jin, so that with only the 4.2 mu he surpassed his contract responsibility. In 1983, land cultivated with the water-storing, fertilizer-accumulating, soil-improving method reached 1 mu per capita. In the severe drought that occurred when the crops needed water between June and August, when only 120.8 mm of rain fell, the land cultivated with this method represented 23.4 percent of the total grain-field area, but it produced 50.4 percent of the total yield. Thus, it played a major role in stabilizing total yield.

2. Increases Return on Agricultural Labor and Investment

The water-storing, fertilizer-accumulating, soil-improving cultivation method initially uses 5 more man-days per mu than do conventional cultivation methods. However, once prepared, it can increase production for three years in succession. The second and third years require only the turning of fertilizer into the planting furrows in order to achieve the benefits of increased yields. For the amount of labor consumed, the production efficiency is greatly increased. Test results at Yuejia Shan in 1979 indicated that, by comparison with conventional cultivation methods, each man-day invested in the water-storing, fertilizer-accumulating, soil-improving cultivation method could raise yields by 21.3 jin for corn, 29.4 jin for sorghum, 12.8 jin for millet and 2.6 jin for winter wheat. Under identical materialized labor consumption conditions, production investment returns are also notably increased. Actual per-mu capital investment in fields cultivated with the water-storing, fertilizer-accumulating, soil-improving method is 5 yuan higher than that for ordinary fields (calculated at 1 yuan per man-day, 3 yuan per day for draught animals and parity for seed, plus the local market price for fertilizer), a relative increase of 41.7 percent. However, compared with conventional cultivation, it brings 56.93 yuan (293 percent) more net income for corn, 68.94 yuan (460 percent) more for sorghum and 41.05 yuan (271 percent) more for millet. In terms of output value per yuan invested, the increase for corn is 1.52 yuan, or 91 percent; the increase for sorghum is 1.82 yuan, or 110.3 percent; and the increase for millet is 1.06 yuan, or 72.1 percent. In terms of the cost of grain, this is a decline of 0.031 yuan for corn and 0.034 yuan for millet. If this is averaged over three years, the results are even more notable.

3. Shift from Extensive Cultivation to Less Cultivation with Higher Yields; Promote Proportional Coordination Among Agriculture, Forestry and Animal Husbandry, Develop Comprehensively, Achieve Beneficial Ecological and Economic Cycling and Enable the Peasantry to Prosper as Quickly as Possible.

At Buju Production Brigade, which is situated in Zhongyang County on the Pianpi Ridge, the mountains are high, the slopes are steep and the soil is infertile. For a long time the grain ration has been around 300 jin and the extra profits about 3 jiao. In 1980 the brigade began taking steps to extend the water-storing, fertilizer-accumulating, soil-improving cultivation method, and this brought about great changes in that area. First, the soil conditions have changed: there is 1.5 mu of fields with high, stable yields per capita, representing 32 percent of the total grain field area but producing 79.6 percent of total yield. Second, the crop mix has changed: due to high-yield furrowing, grain yield has been stabilized and they have released 20 percent of the slope land to grow oil crops and 22 percent of the slope land to grow soybeans, thus increasing income. Third, the ecological conditions have changed: beginning in 1981, a portion of steep slope land has been withdrawn from cultivation each year for afforestation and grass planting. The afforested land has grown to 220 mu, the grassland has grown to 100 mu and the proportion of grain to forest to

grassland has changed from 100:0:0 in 1981 to 64:23:11. With the growth of forest and grassland, animal husbandry has correspondingly expanded: in 1983 the sales of swine and sheep alone brought in 220 yuan per household. Fourth, people's living standards have changed: prior to 1980 nearly all supplies were consumed yearly, but since 1981 they have made a contribution to the nation every year. Last year, under severe drought conditions, there were 3 households that produced 10,000 jin of grain. The brigade as a whole sold 50,000 jin of commodity grain to the state, or 1,000 jin per household. Per capita grain production was 1,036 jin, and there was 181.6 yuan net income per capita. The masses are saying joyfully that the responsibility system is a golden road and high-yield furrowing is a golden technique.

III. A Few Problems that Must Be Considered in Further Extension Work

1. Correct Handling of the Relationship Between Land Improvement and Grass and Tree Planting

The water-storing, fertilizer-accumulating, soil-improving cultivation method has been researched successfully for many years, but in the past few years it has not been extended over a very large area. One major reason for this is that in recent years the departments concerned and those specialists that have been stressing ecological agriculture, large-scale afforestation and grass planting have not simultaneously made land processing, soil nourishment and fertilization and increased yields per unit of area a thrust of the step-by-step removal of land from cultivation and its return to forest and grassland. They have neglected capital construction of the land. As a result, the old custom of extensive cultivation has not been changed, destruction of forests and grasslands is a common occurrence and forests, grasslands and animal husbandry cannot be developed. It is our belief that in loess plateau areas where there is a large concentration of population and the rainfall is about 400 mm, it is entirely possible to realize fully the increased output potential of dry farming and raise the average per-mu yield to 600-800 jin. With the preconditions that we do a good job of capital construction in agricultural fields, nourish and fertilize the soil and vastly increase the yield per unit area, this requires us to reduce the area of cultivated land year by year and return the steep slope land to forests and grasslands. In the cycles of matter and energy flow in the agricultural ecological system, land processing and soil nourishment and fertilization are the basis for increasing the efficiency of plant photosynthesis and improving crop yields and economic output, and they are they key links to bringing about a satisfactory cycle in the ecological system. Therefore, we must stress land improvement on the one hand and grass and tree planting on the other hand. Last year, Luliang Prefecture required each peasant who contracted land in mountain areas to plant one mu of forest, one mu of grass and dig one mu of "high-yield furrowing." They organically integrated the water-storing, fertilizer-accumulating, soil-improving cultivation method with afforestation and grass planting and the results of this practice proved excellent.

2. Further Improve and Prudently Implement the Relevant Land Contracting Policies

Looking at the problems that remain in Luliang Prefecture's extension of the water-storing, fertilizer-accumulating, soil-improving cultivation method, it appears that the masses are afraid that adjustment of the land and implementation of that cultivation method will not be compensated; they are afraid that after the yields are increased the contract base will also be increased. As a result, they are unwilling to invest capital in processing the land, sometimes to the point that they practice predatory farming. When Hujia Ling Production Brigade began to extend the water-storing, fertilizer-accumulating, soil-improving cultivation method, the masses had misgivings about whether the land utilization rights would be stable and whether the contract base would be raised, and as a result they lacked confidence. Only after publicization of policies and explicit stipulation of the contract were their misgivings removed and their confidence increased. Further improvement in the responsibility system and prudent implementation of the relevant land contracting policies is a necessary precondition for encouraging the peasantry to extend the water-storing, fertilizer-accumulating, soil-improving cultivation system. Marx' theory of land rent holds that "If the results of land improvement are fairly enduring, then when the lease expires the different fertility of the land with man-made improvements can be combined with the natural differences in fertility. For this reason, the land rent assessment can also be evaluated in combination with the land rates of all other classes of land with different fertilities. On the other hand, with reference to the formation of excess profit being determined by the quantity of operating capital, the quantity of land rent produced by a certain quantity of operating capital can increase to the average land rent of a nation. Consequently, it is only necessary for a new farm landlord to control sufficient capital in order to continue to practice cultivation according to similar intensive methods."¹ This fundamental tenet is equally applicable to implementation of the production. It is our belief that pricing land through price contract forms such as are used for farm animals and farm implements is a good way of fundamentally resolving the ideological problem of peasant fears of land regulation and not obtaining compensation for investment and processing. This way is more positive and effective than the method of merely stipulating several years or several tens of years of no change. It rewards or penalizes through increased or decreased land fertility, it ensures the investor's interests and it can restrict predatory farming and promote land management.

In line with Marx' theory of labor value and the principle of distribution according to work, it is our belief that the key to resolution of peasant fear of changes in the contract base and their low initiative lies in whether concrete peasant labor can be transformed into abstract labor, whether individual labor can be transformed into social labor and whether labor expended can obtain corresponding remuneration. In communes and brigades that practice the contractual output responsibility system for large-scale tasks, collectives no longer practice centralized investment.

¹Marx, "Capital," (Renmin Chubanshe, 1976), Vol 3 pp 760-761.

Therefore, the formation of differential land rent basically depends on the land situation and farm-operating capability of each household together with the level of investment. Consequently, the fruits of farming are largely reaped by each contracting household. Proceeding from the actual state of rural communes and brigades in Shanxi mountain areas, we can only help encourage farmers to practice intensive farming and promote expansion of agricultural production if the quantity of withholdings is fixed according to the area of contracted land. Luliang Prefecture stipulates that all those who practice the water-storing, fertilizer-accumulating, soil-improving cultivation method and have increased yields should not at will increase the state purchase quotas or raise the contract base. The portion of increase in yield should be returned to the laborers, where it plays a major role in advancing the extension work.

3. Support Experimentation and Demonstration as Extension Methods and Enable the Peasants to Recognize and Accept this New Method Themselves

In extending the water-storing, fertilizer-accumulating, land-improving cultivation method, only experimentation and demonstration can make the peasants see for themselves the resulting production increases and bigger harvests and make them willing to accept the novelty. We must combine a general appeal with experimentation and demonstration, carefully avoid administrative decrees, set firm quotas and treat everyone alike.

The implementation of the contractual output responsibility system and the fact that the broad masses have the right to act for themselves in farming and production are the major reasons behind China's sustained production increase in recent years. We must respect the right of the peasants to act for themselves in their planting arrangements and cultivation measures, and we must under no circumstances use any administrative decree as a means to encroach on that right. Even entirely proper measure or advanced techniques cannot be pursued with oversimplification or in a commanding fashion. Rather, we must use experimentation and demonstration and develop models to guide the peasants themselves to understand and accept them voluntarily.

4. Put into Effect the Necessary Subsidization and Rewards for Land processing, and promote Its Extension

In agricultural capital construction, land processing is the most important factor influencing agricultural production. Consequently, it is proposed that it is appropriate to advance a portion of the Mountain Area Construction Fund to use in subsidizing extension of the water-storing, fertilizer-accumulating, land-improving cultivation method. At the same time, communes and brigades should put into effect the necessary rewards for land-contracting commune member that process their land. When it mobilized the masses to institute the water-storing, fertilizer-accumulating, land-improving cultivation method, Hujia Ling Production Brigade in Zhongyang County kept rigorous checks on the process and those who attained quality standards were rewarded with fertilizer, thus raising the initiative of commune members. We can also consider encouraging households which adopt

the water-storing, fertilizer-accumulating, land-improving cultivation method on a large scale by both rewards and reductions in their shares of apportioned burdens. Zhongyang County's stipulation that cultivation of one mu with the water-storing, fertilizer-accumulating, land-improving method releases one from five man-days of labor on farmland capital construction is a good measure. In this way we can to a certain extent attract the peasants' labor investment. Due to the fact that production profits are higher and faster in industry and sidelines, under the circumstances of relaxed restrictions and a proliferation of approaches in the diversified economy peasants tend to invest their labor in heavy industry or sidelines and abandon agriculture. This is even more true in the vicinities of cities or industrial and mining sites. Land in these areas is farmed by female labor—the labor force is weak, the funding is poor and there is no capacity for intensive farming—and this gives rise to a great waste of land and productive forces. Consequently, we should guide peasants who engage in industry and sidelines year after year withdraw from the land and transfer the contracts to farming households who are capable of operating a farm. We should also develop specialized grain-growing households, use rewards to help them improve the land, implement intensive farming, make the best possible use of men and land and achieve satisfactory economic results.

12510

CSO: 4007/120

SICHUAN

EXPANSION OF SUPPLY, MARKETING COOPERATIVES DISCUSSED

Chengdu SICHUAN RIBAO in Chinese 15 Sep 84 p 1

[Article: "Marketing Expands; Profits, Accumulation Increase: Supply and Marketing Cooperatives Make Large Contributions to Commodity Production in Sichuan"]

[Text] Since supply and marketing cooperatives were organized and set up in Sichuan Province in the early 1950's, purchasing and selling activities have expanded continually and profits and accumulation have steadily increased, which contributed greatly to satisfying the production and daily living needs of the peasants, and brought about an advance in commodity production.

In 1951, when supply and marketing cooperatives were being set up in the province, there were only 590 base-level cooperatives. In 1983 there were more than 1,700 of them, and 46,000-plus commodity retail sales outlets of various kinds had been established and which engaged in the purchase of farm produce and sideline products, procurement and retail sales of old and discarded goods and materials and retail sales of the means of production and livelihood. There were also 41,000-plus shops in the rural areas throughout the province commissioned to make purchases and sales, and more than 40,000 commissioned buyers and sellers. Except for national minority districts, the commercial network has outlets for the regions, communes and production brigades throughout the province which are basically adapted the requirements of agricultural production and the livelihood of the masses.

Purchases and sales have expanded continuously since the cooperatives were set up. In 1952, the gross value of agricultural products purchased by the supply and marketing sector was less than 100 million yuan for the province as a whole; in 1983 it amounted to more than 1.24 billion yuan. In 1952, the means of production and livelihood provided by supply and marketing cooperatives amounted to only 300 million-plus yuan for the entire province, and the products supplied consisted of low-grade salt, cotton cloth and medium- to small-size farm implements; in 1981 the total value of the means of production and livelihood supplied amounted to 6.27 billion yuan, the goods supplied changed from low-quality to high-quality ones and there were more and more domestic electrical appliances and farm machinery.

The provincewide supply and marketing sector kept pace with the growth of production with expansion of purchases and sales and continued increases in profits and accumulation. In 1957, fixed capital amounted to only 50 million-plus yuan; by 1983 it had increased to more than 960 million yuan. Total profits were only 65 million-plus yuan in 1957; by 1983 they had increased to more than 219 million yuan. This gave the masses money to spare and accumulated funds for the state. Business and income taxes turned over to the state by the provincewide supply and marketing system amounted to more than 220 million yuan. Since 1975, they have also shouldered for the state the difficult task of finding jobs for more than 80,000 young people.

Exactly in line with the spirit of Central Document No 1, the supply and marketing departments throughout the province are currently making further reforms in the supply and marketing system by changing the supply and marketing cooperatives from being government-operated to being run by the local people, expanding the number of commune members who are shareholders and enlivening circulation; they are also relaxing policy restrictions to allow the supply and marketing cooperatives to act on their own with respect to personnel, money and materials and make their own arrangements for production, supply and marketing, and truly setting them up as comprehensive rural service centers to make greater contributions to the province by "enriching the people" and "raising their standard of living."

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YUNNAN

TEXTILE INDUSTRY OUTPUT VALUE, PROFITS DOUBLED

Kunmin YUNNAN RIBAO in Chinese 4 Sep 84 p 1

[Article: "Yunnan Textile Industry Output Value and Profits Double in Five Years"]

[Text] Since the Third Plenary Session of the 11th Party Central Committee, the Yunnan textile industry has set up the chemical fiber, cotton spinning and weaving, printing and dyeing, yarn-dyed fabric, knitting and silk cloth trades, and has formed a fixed-dimension production system. The 87 textile enterprises and 49,000-plus staff and workers throughout the province have contributed to solving the problem of clothing the people and embellishing their lives.

Before liberation, except for the fixed-dimension Yunnan Textile Mill and Yunmao Cotton Mill, there were only a few small cotton-spinning enterprises, which used wooden machinery and produced average, low-quality cotton fabrics. After liberation, state investment extended existing textile enterprises and set up new ones so the textile industry expanded rapidly; since the Third Plenum of the 11th CPC Central Committee we have corrected our guiding ideology on economic work and implemented the "six priorities" for the light and textile industries, which has given textile production a vastly different look. In these 5 years an average annual growth rate of 15 percent for the textile industry in the province as a whole has speeded development. Gross output value and profits of the industry were more than double those of 1978.

There was a great increase in the output of major textile goods in the province in the last 5 years: chemical fibers increased 4.8-fold; woolen blankets, 2.4-fold; silk fabric, 1.6-fold; cotton yarn, 46 percent; cotton cloth, 40 percent; silk, 52 percent. There were more than 270 new varieties of textile products, and the latest designs, colors and specifications increased by 2,000-plus. There was also significant expansion of production of textile products specially needed by minority nationalities. They produced acrylic fiber woolen sweaters of every description prized by the Dai, Bai and Hani nationalities, synthetic cotton jacquard cloth for the skirts of the Jingpo nationality and gold jacquard cloth for the skirts of the Dai nationality, the ox halters and straps needed by people of the Zang nationality, and a large batch of new products such as cotton prints for the various nationalities, which fairly well satisfied the livelihood needs of these people in this respect.

YUNNAN

GRAIN PRODUCTION SITUATION OUTLINED

Kunming YUNNAN RIBAO in Chinese 8 Aug 84 p 1

[Article: "Noteworthy Change in Yunnan Grain Situation: Previously Depended on Grain Imports for Food, Now Basically Self-Sufficient"]

[Text] In 1983 total output of grain in Yunnan amounted to 19.087 billion jin, which was an increase of 1.2 billion jin over 1978. This achievement sustains 3 years of steadily increasing production despite the fact we were subjected to an exceptionally serious drought in 1983. Though total population province-wide today has increased more than doubled over the preliberation period, we have basically achieved self-sufficiency in grain.

The record of the grain problems of the province and various localities before liberation is a history of famine and starvation due to crop failures. By 1949, two-thirds of the people in many areas were without provisions. Because of continuous famines and lack of grain, every year a large amount of grain had to be imported from abroad. The masses in Kunming City proper frequently got up at midnight and jostled to purchase "Xianluo (Thailand) rice" for food. Some were violently trampled to death or injured by the stream of people shoving to get rice. The rural areas were even more in a state of semistarvation; the peasants allayed their hunger with edible wild herbs, chaff, the leaves of pulses and potatoe vines, and lived a miserable life of having chaff for half the year and grain for half. Since the founding of New China, 280,000 water conservancy projects and 2,300 KM of various types of dikes and dams have been constructed. This has enhanced the capacity of fields to withstand natural disasters and brought about a relatively rapid development of grain production provincewide. From 1949 to 1983 the average annual rate of increase in grain production was 2.65 percent. In particular, since the Third Plenum of the 11th CPC Central Committee, general implementation of the joint household production contract responsibility system in the rural areas has aroused to the utmost the production enthusiasm of the masses of peasants. A new aspect is 4 years of steady increases in grain production throughout the province; moreover, we have at one stroke reversed a longstanding situation which was difficult to change where "serious natural disasters brought large decreases in production, minor disasters brought small decreases, and favorable weather increased spot production." New output can be increased despite minor natural disasters, favorable weather brings large production increases, and even in years of serious disasters output can be maintained or increased slightly. Grain procurement and marketing

has basically kept abreast throughout the province and per capita grain rations have reached 490 jin; compared to the 350 jin per capita prior to the Third Plenum, this is an increase of 140 jin. People in the urban and rural areas no longer worry about the problem of living off grain.

In the wake of the fine turn of events in the grain situation, there has been a great change in the food component of the people in the cities and countryside. Now the majority of peasant households in the rural areas have a several-month store of grain, so they can eat fresh grain and dry old grain in the sun. When the people start to get their fill of grain they ask for the finest and are particular about grain variety, quality, flavor and nutrition; there has been an increase in the proportion of the masses in the mountain areas eating flour and rice. Because of the increase in grain, the food processing units of the state grain departments and state-operated collectives have undertaken multiple processing to supply the markets with quite a lot of finished products made from small grains, polished rice, superior flour and various cereals. Before the Third Plenum, 30 to 50 percent of the grain supplied to the populations of the cities and towns in the various localities had to be food grains other than wheat and rice, and the processing of polished rice and superior flour was strictly controlled. Since last year, basically we have not needed to throw in food grains other than wheat and rice for most of the cities and towns provincewide. This year the grain varieties supplied to the populations in the cities and towns are in general freely chosen for purchase, the amount of rice is unlimited and superior rice, grade-A wheat flour and noodles can all be bought at any time. The grain products supplied by the grain departments in the past included only one variety of noodles; nowadays there are more than 50 varieties produced by the grain processing industries of the grain departments above the county level. Pastry, grain and fermented bean products, and well-known specialty products made from grain and pulses have increased one-# to several-fold, and are beginning to enter the peasant households; the masses' grain consumption level is continuously going up and varieties are becoming increasingly abundant and more varied.

After the increase in grain output, we also added elements for rational readjustment of the internal structure of agriculture, and promoted development of cash crops, animal husbandry and economic diversification. The portion of sugar from sugarcane and the quality of flue-cured tobacco in the province is among the best in the nation, and are important hot-selling products. But because the lack of grains in the past was such a heavy burden, there was no way to diversify even if we had wanted to. Since grain production has gone up in the last few years there is a reserve. Sugarcane and flue-cured tobacco quickly expanded to 700,000 mu provincewide, which, added to other crops, extended total acreage of cultivated land planted to cash crops to more than 910,000 mu. This raised the proportion of the area planted to cash crops from 8 percent prior to the Third Plenum to the present 10.4 percent, rapidly increased output and gradually made tobacco, sugar and tea more prominent. Since the more grain, the more livestock, livestock and poultry production is flourishing. When grain was scarce in the past and the problem of feeding the population was unresolved, the livestock were also poorly fed. Most of the live hogs raised in many areas were "long-lived hogs" with long hair and thick skin and which took

several years to reach market size, and "abacus hogs" with emaciated bodies revealing their skeletons; there was a long fattening period and the slaughter rate was low. After the problem of feeding and clothing the peasants was fundamentally solved, and more quality feeds were fed, the live hog fattening period was universally shortened, the slaughter rate was raised and there was a large increase in other livestock, poultry and egg products. This year we have become more than self-sufficient in live hogs provincewide so there is no longer a need to transfer any in.

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YUNNAN

BRIEFS

ABOVE-QUOTA PROCUREMENT BY CONTRACT--The provincial commerce department has recently completed work for this year's fall grain negotiated procurement and sent out a circular to all areas saying that purchases of grain from this year's fall grain crop above state procurement quotas will be by contracting. All large spring grain crops produced by the farm households themselves, excluding that retained for state quotas, seed and feed purposes, which they wish to sell to the state must be sold by signing a procurement contract between the grain office and the household; the procurement price will be within the current range of negotiated procurement prices in the province and the amount will not be limited. Above-contract grain offered for sale by the peasant households will be procured by base-level grain departments on the spot market to protect the profits of the producers and ease their concern about production. The circular requires all areas to employ multiple approaches and get the procurement contracts signed by the households before the fall grain crops are put up. [Text] [Kunming YUNNAN RIBAO in Chinese 18 Jul 84 p 1] 12513

AFFORESTATION SURPASSES TARGET--According to statistics of the provincial forestry department, 9.07 million mu had been afforested throughout the province by the end of July, which surpasses the annual Yunnan afforestation quota issued by the state of 4 million mu. Afforestation of mountains for personal needs and afforestation from the air accounted for more than 7.3 million mu. Kunming City, Qujing Prefecture, Dongchuan City, Yuxi Prefecture, Dali Bai Autonomous Prefecture, Lijiang Prefecture and Simao Prefecture all surpassed by an identical 20 percent the quotas assigned them by the province. Currently, the various localities are continuing to organize and mobilize the masses for afforestation, especially paying close attention to establishing economic forests and working hard to surpass the annual afforestation target of 10 million mu. [Text] [Kunming YUNNAN RIBAO in Chinese 6 Aug 84 p 1] 12513

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ZHEJIANG

RURAL FOOD INDUSTRY DEVELOPMENT DISCUSSED

Hangzhou ZHEJIANG RIBAO in Chinese 6 Sep 84 p 1

[Article: "Zhejiang Rural Food Industry Expands by Leaps and Bounds; System Encompasses 23 Industries and 1000-plus Product Varieties"]

[Text] The rural enterprises in Zhejiang Province actively utilized local resources, began by improving agricultural product processing to a profound degree and speeded up expansion of the food industry. In 1983, gross output value of the various classes of food enterprises amounted to 574 million yuan, which was a 158.5 percent increase over 1980, or a 1.5-fold increase in 3 years. The average yearly increase was 37.2 percent, which was the highest rate of increase of any of the rural industries in the province. Output value as of July this year was 305.44 million yuan, which was a 33.11 percent increase over the corresponding period last year.

The most outstanding feature of the rural food industry in the province is the progressive change from rough processing to finish processing and refining. Take vegetable and aquatic product processing and wine making for example: the emphasis on pickling and drying in vegetable processing in the past has developed into bottling, small packaging, dehydration and refrigeration to preserve freshness; from the emphasis in the wine-making industry in the past of producing yellow rice wine, we now have beer, fruit wine, medicinal alcohol, ginseng alcohol, edible mushroom spirits and light sparkling wine; aquatic product processing has also expanded from an original emphasis on salting, pickling and drying to an emphasis on refrigerating to preserve freshness, and processing a greater variety of aquatic products and small packaging.

A rural food industry system with emphasis on processing tea, wine, aquatic products, vegetables and beverages has now taken shape in Zhejiang which includes 23 industries and more than 1000 product varieties. Overall processing capacity is continually being enhanced and product quality is continually being raised. The scented teas of the Yuhang Changle Tea Factory and the beer produced by the Ninghai County Brewery have been acclaimed fine quality products; some have worked their way into the international market.

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ZHEJIANG

POLICIES ON PLANTING GRAIN RATION PLOTS EXAMINED

Hangzhou ZHEJIANG RIBAO in Chinese 9 Sep 84 p 2

[Article: "How Can We Resolve in the Countryside the Hardship Attendant to Contracting Grain Ration Plots to Households Without Able-bodied Workers?"]

[Text] Letter to editor by Ye Hang [0673 5300] of the Xiaoshan Local Products Company:

A relatively large proportion of the present contingent of staff and workers live in the countryside and the people in those homes are generally old, weak, women and children; some are from households which have never cultivated farmland. The staff and workers themselves must take care of their own jobs and some are quite far from home; it is difficult for a person to attend to both. Some areas not only require grain ration plots to be planted, the contract plots are assigned according to grain ration averages as well.

The workers and staff members whose homes are located on contract farmland lack labor, technology, farm implements and crop drying plots, so the difficulties are indeed great. At the same time, it also impacts on the staff and workers own jobs. How can we eliminate the trouble back at home for the staff and workers who live in the countryside?

Reply from the provincial Rural Policy Research Office:

In the process of extending the terms of land contracts and perfecting the joint production contract responsibility system on land for growing field crops, many areas at present are careful to proceed from actual conditions and have done a pretty good job of resolving the hardships of households of revolutionary martyrs and soldiers, households enjoying the five guarantees, teachers supported by the local people, and those of cadres, staff and workers located on contract land and which are without able-bodied workers. But there are also some areas which do not take this problem seriously enough and have not solved it very well. For instance, some totally assign contract land across the board based on per capita averages regardless of whether or not there are able-bodied

workers; some assign a portion of contract grain ration plots to all households alike, including those without workers, and regardless of whether or not one has the ability to farm. This way of doing things is not conducive for cadres, staff, workers and locally-supported teachers to do well in thier own jobs, is not conducive to the cause of constructing socialism's four modernizations and is not conducive for intensifying farming on the land and raising economic benefits. Therefore, we must make resolution of the hardship inherent in contracting grain ration plots to households without able-bodied workers an important task and pay special attention to it.

In the work of extending the terms of land contracts in various localities, the masses have proposed many quite feasible solutions. The main ones are:

1. Allocate grain ration plots to households which are able to handle them and which can fall back on sending members to live with relatives to cultivate land and so ask for such plots.
2. Integrate into the collectives those households which, themselves, are without the resources to farm and which ask not to contract grain ration plots, arrange to transfer their parcels to farming experts to farm, and have the collectives or the households which receive the parcels provide the equivalent grain rations. In order to arouse the enthusiasm of the households receiving the parcels and bring about a substantial income for the grain producers, various localities have adopted several encouraging measures. For instance, some have lowered the contract output quotas for transferred parcels of land; some have permitted the households receiving the parcels to appropriately plant cash crops on the transferred land; some have stipulated that the transferred land parcels be exempted from deliveries to the collective reserve, social responsibilities, etc.
3. In areas where the rural enterprises are flourishing somewhat and the collective economy is relatively solid, use the profits from the rural enterprises to subsidize the difference between parity and the negotiated price for grain rations so the households without able-bodied workers do not have to contract grain ration plots.

Whatever the method employed, we must proceed from the reality of the local situation, consult with the masses, respect their wishes and handle things carefully and skillfully.

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ZHEJIANG

SUPPLY AND MARKETING OPERATIONS NETWORK DISCUSSED

Hangzhou ZHEJIANG RIBAO in Chinese 9 Sep 84 p 2

[Article: "Supply and Marketing Operations Network Outlets in Zhejiang Number 25,000; Their Role as Main Channel of Commodity Circulation in Rural Areas Brought into Play, Total Marketing of Commodities 132-fold Above Early Post-liberation Period"]

[Text] Supply and marketing cooperatives have continually expanded in Zhejiang since the founding of the PRC. They have become the main channel for circulation of commodities in the rural areas; the ventures are broad in scope and very capable. By the end of 1983 there were more than 25,000 outlets in the supply and marketing operations network, to be found everywhere in the vast rural areas throughout the province. Total commodity purchases and sales by the supply and marketing cooperatives in the province reached 8.24 billion yuan in 1983, which was a 132-fold increase over 1950.

In the 35 years since the founding of the PRC, the amount of money expended by supply and marketing cooperatives throughout the province on procurement for the state of farm sideline products such as cotton, tea, cocoons, hemp, flax, etc., totalled 24.65 billion yuan. In 1983, state procurement of farm produce and sideline products amounted to 1.42 billion yuan, which was a 60-fold increase over 1950. The supply and marketing cooperatives supplied to the peasants throughout the province more than 28 million tons of chemical fertilizers, 1.5 million tons-plus of farm chemicals as well as a great amount of other goods and materials for farm use, and organized and provided a large amount of fine breeding stock for livestock, poultry and seedlings. In order to solve the difficulty of the peasants' having insufficient funds for production, the supply and marketing cooperatives raised a large amount of funds to support production; in only the 5 year period of 1979-1983 they raised more than 47 million yuan in funds to aid production. At the same time, they also came up with a large amount of steel, lumber and cement, and energetically promoted commodity production in the rural areas of the province.

In the wake of the development of the rural economy and an increase in the purchasing power of the peasants, the supply and marketing cooperatives throughout the province also strived to do well the work of supplying goods for the people's livelihood in the rural areas. In 1983, total retail sales of the means of subsistence by the supply and marketing cooperatives amounted to 2.55 billion yuan, which was a 67-fold increase over 1950. The volume of sales of such major industrial products as cotton cloth, chemical fiber cloth, knit goods, wristwatches, sewing machines, bicycles and cigarettes increased several hundred-fold. Expensive domestic electrical goods and appliances such as televisions and washing machines are also beginning to enter peasant homes.

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ZHEJIANG

RURAL AREA FINANCIAL, BANKING ACTIVITIES DISCUSSED

Hangzhou ZHEJIANG RIBAO in Chinese 9 Sep 84 p 2

[Article: "Financial and Banking Activities Show Rapid Development in Rural Areas of Zhejiang, Play Important Role in Helping Peasants Develop Production, Enliven the Economy and Improve Their Livelihood"]

[Text] Since the founding of the PRC, financial and banking activities have developed rapidly in the Zhejiang countryside. They have played an important role in developing production in the rural areas, improving the peasants' livelihood, supporting rural enterprises and the "two households, one body," and enlivening the rural commodity economy.

Nowadays, branches of the Agricultural Bank have been set up in every county of the province and credit cooperatives have been set up in every township. Financial and banking institutions at all levels in the rural areas are actively launching credit activity to help the broad mass of peasants to develop production and improve their livelihood. In 1950, 3.24 million yuan in agricultural loans were extended. Since then, the extent of credit in the rural areas has been expanded year after year; by 1983 it had been increased to 2.85 billion yuan. In the last 35 years, farm banks and credit cooperatives at all levels throughout the province have granted a grand total of 13.2 billion yuan in farm loans.

Since the Third Plenary Session of the 11th CPC Central Committee, the finance and banking system has made full use of its role as an economic lever in the rural areas of the province and has actively supported rural enterprise development. From 1978 to 1983 farm banks and credit cooperatives at all levels throughout the province extended a total of 7.5 billion yuan in loans to more than 30,000 rural enterprises. The amount of loans extended increased year after year; there was a 3.5-fold increase in the period 1978-1983.

At the same time as supporting rural enterprises, the financial and banking institutions at all levels in the countryside also relaxed policy restrictions, simplified procedures and enthusiastically supported all classes of specialized households in the rural areas to develop commodity production. In 1983, loans totalling 420 million yuan were extended to

more than 2.8 million peasant households throughout the province, with the emphasis on providing support to 370,000 specialized households and 7,500 economic associations. In addition, they granted loans totalling 4.03 million yuan to 38,000 impoverished households throughout the province. Along with an increase in living standards in the countryside, rural savings also increased a great amount; total savings has been increased to 2.34 billion yuan at present. Rural per capita savings for the province as a whole in 1979 was 6 yuan-plus; it has currently been increased to 70 yuan.

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ZHEJIANG

PROMOTION OF RURAL ECONOMY DISCUSSED

Hangzhou ZHEJIANG RIBAO in Chinese 3 Sep 84 p 1

[Article: "New Tasks in Promoting the Rural Economy"]

[Text] Changing the agricultural economic and labor structure are new tasks in developing commodity production and promoting the rural economy overall. Outstanding issues at present are the liberation of a large number of the agricultural labor force from the land and the pressing need to develop production quantity and quality. Therefore, we can only bring about great increases in agricultural productivity and the commodity rate, and establish and maintain a high growth rate in agriculture and substantial benefits by smashing the traditional agricultural setup, changing single-product agriculture or forestry into a coordinated development of agriculture, forestry, animal husbandry, sideline occupation and fishery, and setting up a new type of economic structure with joint agricultural (forestry)-industrial-commercial ventures.

To change the structure of agriculture, the various localities must proceed from actual conditions, emphasize strong points and avoid shortcomings and suit measures to local conditions. Provincewide natural and socio-economic factors can be divided roughly into 3 levels:

The Crop-growing Industry. Rationally arrange the ratio of cereal grains to cash crops, with expansion of cash crops predicted on steady increases in gross output of cereal grains. Cereal grain production is the foundation of agriculture and can never be slackened; but it should not be pursued simply for its own sake. A strong point of cash crops is that they have high commodity rates and bring good benefits; moreover, they are raw materials essential for industrial development. Increased cereal grain output can be promoted through the spread of cash crops.

Agricultural Production in the Broad Sense. Exploit barren hills, wasteland and wastewater, and vigorously develop forestry, fishery, animal husbandry and other sectors of a diversified economy; in particular we must increase the proportion devoted to sericulture. Contemporary agriculture must pay attention to ecological results as well as economic benefits. We cannot go on to set up a top-quality agricultural production system with high and stable output and low consumption unless

we establish a fine ecological environment and bring about good production cycles in the various industries. Sericulture is very effective in improving the ecological environment. At the same time, we can convert large amounts of surplus agricultural products to abundant and varied consumer goods such as meat, fish, eggs, milk and fur, and so spur on rural industry and commerce and energy construction. The province's vast hills, mountain land, embankments, shallow sea and beaches all are fine places for developing sericulture.

Rural Industry as a Whole. Actively establish industry, commerce, transport, construction and various services at the same time as attending to agriculture. Set up a group of small cities and towns on this foundation and make them into economic and cultural centers in the rural areas and the ties that join the economies of the cities and towns. There is a distinctive strategic significance in developing rural enterprises. In reality, the process of modernizing agriculture is a process of industrializing the countryside. In the rural areas of the province, where there are a lot of people and little land, if we do not go in for industry there will be no way to fundamentally cast off the shackles of a small-scale peasant economy and realize the two transformations of agriculture.

Changing the rural economic and labor structure and developing commodity production overall is an economic process encompassing a series of activities in policy, information, planning, design, supply, production, science and technology, processing, transport and sales. This requires our concept of the leading cadres at all levels to undergo a significant transformation; namely, that they be regarded as managers rather than producers. If we further liberate our thinking in accord with the Party's principles and policies, broaden our outlook, dare to employ various flexible measures and go all out to enable the peasants to forge ahead, it will not be difficult to make changes in the agricultural structure.

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ZHEJIANG

ZHEJIANG GRAIN PRODUCTION SHOWS STEADY GROWTH

Hangzhou ZHEJIANG RIBAO in Chinese 16 Aug 84 p 1

[Article: "Zhejiang Province Grain Production Shows Steady Growth, Grain Per Capita Surpasses 800 Jin"]

[Text] According to materials supplied by provincial grain departments, grain production in Zhejiang has increased steadily since liberation. In 1953, provincewide grain output was 13.878 jin, a 71 percent increase over the 8 billion jin in 1948; the amount of grain per capita was 553 jin. In only 4 years, production has recovered to the highest preliberation levels. By 1978, grain output provincewide amounted to 29.344 jin, a 2.6-fold increase over 1948; grain per capita was raised to 782 jin, nearly a 1-fold increase over 1948. Not only have we solved the food and clothing problem, in most areas there are surpluses as well.

After the Third Plenum of the 11th CPC Central Committee, grain production increased appreciably in Zhejiang. In the 5-year period 1979-1983, grain output in the province increased 30.3 billion jin over the previous 5-year period, an average annual increase in output of more than 6 billion jin. Comparing the record high output of 1982 with 1948, production has increased more than 3-fold. Last year, grain per capita provincewide amounted to more than 800 jin, and grain ration levels for many counties and cities reached 700-800 jin.

Over and above adequate food and clothing, people in the urban and rural areas are now demanding that food staples for their three daily meals be a little better, more palatable and more varied. In order to satisfy the wishes of the masses, the provincial grain departments in Zhejiang have, on the one hand, increased many varieties such as superior quality rice, top-grade flour and enriched pasta, and allowed the masses to freely choose what to buy; on the other hand, they have actively developed cereal and edible-oil foodstuffs. In addition to energetically increasing output of traditional foods made from grain, such as noodles, New Year cake, dried rice flour and vermicelli, we have also developed deep-fried instant noodles, staple bread, soy protein products and various types of beverages, as well as instant prepared foods, travel foods, health foods, baby foods and foods for the aged. Building on the present foundation, the provincial grain departments will further introduce advanced equipment and facilities, develop new varieties of cereal and edible-oil foodstuffs, increase quantities, raise quality and enable people throughout the province to eat better.

ZHEJIANG

MIXED FEED OUTPUT HITS NEW HIGH

Hangzhou ZHEJIANG RIBAO in Chinese 18 Aug 84 p 1

[Article: "Zhejiang Province Constructs 90-plus Mixed Feed Plants, Annual Mixed Feed Output Tops 1 Billion Jin"]

[Text] The newly established feed industry in Zhejiang Province is developing rapidly. In only 4 short years, more than 90 mixed feed plants have been constructed and put into operation, with yearly output topping 1 billion jin. Varieties of special feeds have been developed for more than 20 types of animals including hogs, ducks, cattle, fish, rabbits, quail, and deer; more than 400 million jin of grain can be replaced and saved in a year, cutting down husbandry costs more than 75 million yuan. Specialists concerned think that developments in the feed industry indicate livestock raising and agriculture in Zhejiang have entered a new stage.

The foundation of the feed industry in Zhejiang is extremely weak. In the past we were only able to process rice husk powder and all-bran feeds; in raising livestock and poultry the peasants always just fed the animals what they had, which was both unscientific and uneconomical. After the Third Plenum of the 11th CPC Central Committee the provincial party committee and the provincial government stressed development of mixed feed as the key to advancing livestock production. For more than 4 years the province, prefectures and counties have set up specialized organizations and successively raised more than 33 million yuan in special funds to set up feed plants. The Hangzhou, Ningbo, Wenzhou, Xiaoshan and Tongxiang feed companies have begun to use computers to select the best formulas for mixes. Feed companies at all levels have spread these formulas among the masses, and peasants have pooled resources one after another, set up mixed feed plants and processed privately owned feed grains into mixed feeds. At present, a system has been initially set up throughout the province which establishes a state-run feed industry as the foundation.

Not only has mixed feed production developed rapidly in Zhejiang with many varieties available, the tendency is toward production of special-purpose feeds. The provincial feed companies and related scientific research units have come up with a set of special-purpose feed prescriptions based on the nutritional requirements of different livestock and poultry and their different growth periods, and have produced and supplied to the peasants for direct feeding more than 20 varieties of special-purpose feeds, including feed for piglets, fat hogs, dairy cows, freshwater fish, chickens and ducks, quail, rabbits and deer.

Production and popularization of mixed feeds has raised enormously the scientific level and economic benefits of livestock raising and agriculture. According to a survey in Wangjia Township, Quzhou City, on the popularization of mixed feeds in hog raising, the commodity rate for meat-type hogs was 93 percent, and the slaughter rate reached 135 percent. There were continued increases in livestock and poultry raising in Cixi County in the wake of the large increase in mixed feed production. In the first half of this year the number of hogs being raised increased 33 percent over the same period last year; the number of ducks being raised increased 6.26-fold over the same period last year. According to revised calculations of the provincial departments concerned, after production of 1 billion jin of compound (mixed) feed, use of nongrain feed substitutes and the peasants' adoption of mixed feeds, the savings in grain provincewide this year was equivalent to an "increase in production" of more than 400 million jin, saving 75 million yuan in husbandry costs.

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